

EUROPEAN NEWS

Swiss end ban on share purchases by foreigners

BY NICHOLAS COLCHESTER

THE SWISS authorities yesterday lifted the ban which has prevented foreigners from buying Swiss securities since February last year.

dismissing the wall of restrictions designed to prevent foreigners from buying franc or franc denominated securities.

The Swiss move came only one day after the Japanese authorities had taken a similar step by increasing the access of foreigners to the Japanese bond market.

Brussels threatens equal pay court case

By Giles Merritt in Brussels

THE EUROPEAN Commission fired off the broadside at all nine member governments yesterday, charging each of them with failing to comply with the 1975 directive on equal pay for women.

Human rights issue at Vatican talks

BY RUPERT CORNWELL IN ROME

POPE John Paul II last night received Mr. Andrei Gromyko, the Soviet Foreign Minister, in private audience, during which the Polish-born pontiff was expected to stress heavily his concern with human rights and religious freedom in Eastern Europe.

During the first phase of his talks here, Mr. Gromyko and Sig. Arnaldo Forlani, his Italian opposite number, gave the go-ahead for a new 10-year economic cooperation agreement between their countries.

In a reference underlining Soviet anxiety about possible weapon sales to China by Western nations — including Italy — Mr. Gromyko declared that major foreign policy initiatives "should not be shaped by the narrow interests of arms producers."

ing for detente, it cannot give such unilateral undertakings.

Meanwhile, it has been confirmed that Mr. Gromyko will be seeing Sig. Enrico Berlinguer, the Italian Communist leader, during his stay, which comes at a time when the Communists look close to withdrawing their parliamentary support for Sig. Andreotti's Christian Democrat government.

The talks, on the eve of the Pope's departure for Mexico, are particularly important in view of his strong emphasis on human rights in the first month of his reign, and the trip he intends to make to Poland this May.

Moscow is known to be deeply concerned at the possible impact of such a visit, marking the 900th anniversary of the martyrdom of St. Stanislaus, on a country where the Church has become a natural medium for expression of dissent from the Communist regime.

A letter from Soviet President Leonid Brezhnev to Sig. Giulio Andreotti urging Italy not to supply arms to Peking has caused a political outcry here at what is seen as Soviet interference in domestic affairs.

The Prime Minister will emphasise when he sees Mr. Gromyko today that while Italy is working for detente, it cannot give such unilateral undertakings.

Rome summit to decide Andreotti's fate

BY PAUL BETTS IN ROME

THE FATE of the minority Christian Democrat government of Sig. Giulio Andreotti is expected to be decided later this week at a summit meeting of the political parties currently supporting his administration.

Italy's three main trade union confederations immediately called a two-hour general strike today following the killing of Sig. Guido Rossa.

The latest revival of political violence reflects the difficulties of the Communists now also under attack from the extreme left of the party.

The Communist party has effectively come under fire from the student movement on its left, accusing it of being a so-called "conservative" force.

THE FRENCH ECONOMY

Inflation held to 9.7% despite end of industrial prices curbs

BY ROBERT MAUTHNER

THE FRENCH rate of inflation increased to 9.7 per cent in the 12 months from December 1977 to December 1978, from 9 per cent during the previous year, following a 0.5 per cent rise in prices last month.

no more than a temporary phenomenon. He has been proved right in practice. The price increases of the last two months have been only about half those of the early summer last year.

With a rate of inflation more than three times that of West Germany, France's main trading partner, and unemployment running at some 1.3m and still increasing, the unions and left-wing opposition parties have plenty of ammunition to fire at M. Barre's economic policies during the run-up to the cantonal elections in March and the European parliamentary elections in June.

New Austrian banking law

BY PAUL LENDVAJ IN VIENNA

A FAR-REACHING liberalisation programme, the acceleration of the trend towards universal banking, and the "legalisation" of bank secrecy, are key features of a new Austrian banking law presented to Parliament yesterday.

Significant shifts are to take place within the savings bank sector. The large savings banks will now be able to have greater freedom in their relations with their central institute, the Girozentrale of the Austrian savings banks.

The new banking law also states that banks should have funds accounting for at least four per cent of total liabilities. By the end of 1981 new lifeboat schemes must be drawn up and adopted in all sectors to protect small investors in case of a bankruptcy.

THE UN COMMITTEE ON DISARMAMENT

France to press ahead with nuclear weapons development

BY BRIJ KHINDARIA IN GENEVA

FRANCE IS determined to go ahead in improvement to its nuclear force de France and will continue to hold experimental tests where necessary despite its membership of the newly constituted UN Committee on Disarmament.

The minister outlined a French programme of participation in the disarmament committee based on "a realistic assessment of security needs" in a world made up of "combative nations."

The main legacies from the previous committee, which met twice weekly in closed session, are a body of documents, resulting from the test ban negotiations and similar but less complete papers on a proposed treaty to ban chemical weapons.

The French government agreed to enter the Committee not because France has changed its opinion but because the chamber has changed its character," the minister said.

The committee created by a special UN General Assembly session on disarmament last summer is seen by neutral and non-aligned nations as a reason for hope, because all participating countries are placed on an equal footing under its founding resolutions.

Delegates expect these two items to remain on the agenda. But controversy may develop on a Russian proposal tabled at the previous committee to ban all weapons of mass destruction.

Chrysler France cuts production

BY TERRY DODSWORTH IN PARIS

CHRYSLER FRANCE, the formerly U.S.-owned group which came under the control of the PSA Peugeot-Citroen group at the beginning of this month, is cutting back production with lay-offs at several of its factories for periods of between five and 10 days while it runs down stocks of its 1307-1308 models.

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Vertical text on the left margin: 'Net Short Term Capital Movements', 'es caution their sta', 'ROSS', 'recoit', 'of Jan'

AMERICAN NEWS

U.S. 9% inflation rate second worst since 1947

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

INFLATION IN 1978 was the worst in the U.S. since 1946-47, with the exception of 1974, when consumer prices soared by more than 12 per cent.

distorted the December data. It was the month in which the California property tax reduction, mandated by last summer's Proposition 13 referendum, took effect without these reductions, the overall consumer price index would have gone up by 0.8 per cent.

Over the full year, food and housing (up, on an unadjusted basis, by 11.6 per cent and 9.9 per cent respectively) suffered most from inflation. Medical care rose by 8.8 per cent and transportation by 7.7 per cent; the only moderate sector was clothing, where prices went up by only 3.2 per cent.

Bosworth's battle to sell the guidelines

By John Wyles in New York

FOR WELL over a year a fresh faced, Auburn haired economist in his early thirties has been lecturing America on the evils of inflation, and ruffling a few feathers in the process.

EEC and Japan fail to agree GATT tariff cuts

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

THE EEC and Japan have ended two days of intensive negotiations in Brussels without reaching agreement on the shape of the industrial tariff cutting package which they are seeking to conclude as part of the GATT multilateral trade talks.

complete the GATT talks, since whatever agreements are negotiated by the Commission must be approved by EEC Foreign Ministers at one of their monthly council meetings. It is not expected that any package will be ready in time for the next meeting, on February 5 and 6.

would leave the EEC tariff on cars at its current level of 11 per cent, instead of cutting it to about 7 per cent.

Jubail to get £150m steel mill

By James Buchan in Jeddah

SAUDI ARABIA'S programme for heavy industry at the new city of Jubail on the Gulf coast moved a step forward on Tuesday when the semi-State Saudi Basic Industries Corporation gave its approval for the construction of a \$300m (£150m) steel mill.

Senate warns on N. Korea

By David Buchan in Washington

THE CONTINUED withdrawal of U.S. troops from South Korea is too risky, because new intelligence reports show an unexpectedly high North Korean military build-up, a Senate Armed Services subcommittee has warned President Carter.

Washington dilemma over Mexican oil

BY DAVID LASCELLES IN NEW YORK

EYEING MEXICO'S fast-growing oil and gas reserves, the U.S. is facing a dilemma over whether to include them in its long-term energy plans, and if so, how.

gained substance from a simultaneous hint by Mr. Alastair Gillespie, Canada's Minister of Energy, that any Mexican contract would become a factor in a Canadian price review. Canada sells gas to the U.S. at \$2.16 per thousand cubic feet.

Connally enters race for Republican nomination

BY OUR U.S. EDITOR

MR. JOHN CONNALLY, former Democratic Governor of Texas and President Nixon's Treasury Secretary, yesterday declared his candidacy for the Republican party's presidential nomination.

Libya cuts oil price for Greece

BY OUR OWN CORRESPONDENT

LIBYA HAS agreed to supply Greece with 15.5m tons of crude oil in 1979/84—a third of Greece's total oil requirement—and to increase trade exchanges between the two countries to \$400m (£200m) a year—twice the level of last year's trading.

than from other Middle East suppliers. In addition, Libya will be supplying Greece yearly with 50,000 to 100,000 tons of ammonia, 50,000 to 100,000 tons of methanol, and 50,000 to 100,000 tons of urea, as well as raw and semi-processed hides and skins.

security and the training of Libyans in the electricity sector by the Public Power Corporation (PPC).

Date set for Qatar NGL plant rebuild

By Debra Thomas in Bahrain

RECONSTRUCTION WORK ON Qatar's first natural gas liquids plant, destroyed by fire two years ago, is to start next month.

UK plastics 'out of balance'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE UK'S trading surplus on plastic goods is almost entirely dependent on the export efforts of manufacturers of plastic ships, boats and wallcoverings, according to a report published this week by the British Plastics Federation and the Rubber and Plastics Research Association.

trade. Export and import prices were equal for products accounting for 43 per cent of total trade. Almost half the trade in plastic products that had a negative balance came under the heading "other plastic articles not elsewhere specified."

The trade deficit in 1977 in this group of products was almost £25m and the British Plastics Federation has now applied for a Customs and Excise import disclosure so that it can find out exactly which items are included in this heading.

Investment in Egypt studied

By Roger Matthews in Cairo

A DELEGATION from Empat-Schneider, one of the largest industrial and commercial groups in Western Europe, has completed a visit to Egypt during which it studied a number of investment opportunities.

W. GERMANY'S EASTERN TRADE More balanced pattern forecast

BY LESLIE COLTBY IN BERLIN

WEST GERMANY'S exports to Communist countries rose faster last year than overall West German exports for the first time since 1955 and an analysis by the Berliner Bank shows that a somewhat more balanced pattern of trade may be developing with the East.

West German exports, from January to September 1978 rose by a nominal 7.8 per cent over the same period in 1977 to all state trading (Communist) countries. Total German exports increased by 3.8 per cent in the first eight months of the year.

The rise in German exports to the East is called "extremely modest" compared with the early 1970s but it is welcomed as a sign the Communist countries want to reduce their level of indebtedness.

with West Germany rose in the first eight months of last year to DM 698m compared with DM 455m in the same period of 1977. Romania's deficit expanded to DM 407m from DM 365m.

Officials here are stalling on whether the troop withdrawals should stop, arguing that their intelligence analysis of North Korea is incomplete. They claim that North Korea, which is both politically isolated and militarily self-sufficient, is perhaps the world's hardest intelligence target.

He said that the country's other major gas supplier, Canada, would increase its prices to match any contracts signed with Mexico. This warning

Going against him is that he is a relatively recent convert to the Republican party who has not actually run an election on his own account for 15 years.

ENTE NAZIONALE IDROCARBURI E.N.I. (National Hydrocarbons Authority) 6 1/2% Sinking Fund Debentures due September 1, 1981. NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on March 1, 1979 at the principal amount thereof \$1,162,000 principal amount of said Debentures, as follows:

Moreover, claims Bosworth, the workers in these industries are largely protected from the inflationary impact of their settlements by cost of living agreements which compensate them for price rises. The aim of the guidelines is to put a bargaining curb on these industries, many of which are due to raise wages this year.

The reduction, however, did not prevent West Germany's surplus in trade with all Communist countries from reaching DM3.9bn from January to September 1978 which was the

same as in the eight-month period of 1977. This is largely attributed to West Germany's 81.8 per cent increase to China last year.

two sides of Europe, but it has also raised problems concerning the smooth running of the rising trade volume, the report warns.

Existing transport facilities and those under construction are likely to create enough transport infrastructure to absorb a doubling of demand during the next decade, but Governments on both sides of the East-West frontiers will be faced with giant problems if they do not pull out the stops now to plan for the 1990s up to the year 2000.

Table with columns for Debenture numbers and amounts. Includes a header 'DEBENTURES OF U.S. \$1,000 EACH' and a list of numbers and values.

Without the guidelines, he seems to be saying the Carter Administration's anti-inflation policy will be bankrupt. Given the still fragile prospects of success for the guidelines, no member of the Administration would risk saying that.

Here, according to officials, is a way to cement links between East and West—to build up an interdependence which could become an important contribution to future friendship, implementing some of the Helsinki Declaration's good intentions.

Building society rates structure 'must change'

By MICHAEL CASSELL, BUILDING CORRESPONDENT

URGENT CHANGES in the building societies' interest rate structure are needed to avert an impending crisis which threatens permanent mortgage shortages and more expensive home loans, says the Provincial Building Society.

Mr. Alan Mason, chief general manager of the Provincial, one of Britain's 10 largest societies, said in London yesterday that their movement was unwilling to "face up to some uncomfortable truths" about its future and that radical changes to its previously successful fund-raising formula were needed now.

He said societies faced a potentially critical situation in which a rapidly escalating rate of withdrawals in relation to assets, combined with steadily rising house prices meant that their ability to satisfy demand for home loans would be seriously undermined.

He said that in 1979, the first £15bn of receipts would be

needed simply to meet withdrawal demands, double the 1975 figure. Last year withdrawals reached £12.5bn, accounting for 40 per cent of total assets held at the start of 1978, against a figure of 22 per cent in 1970. At the same time, £12bn would be needed by 1981 to finance the same number of loans made with £8bn in 1978.

Mr. Mason said societies' growth had been achieved by attracting more investors but that it now took five investors to finance one average loan against less than two in 1980. If the trend continued, he added, societies would "literally run out of people to save with them."

In calling for a widening of the present interest-rate differential for savers and investors in such a way as to compensate them according to the value of their account, Mr. Mason said that a £5 investment made for four days now received 3 per cent net interest

while a £5,000 sum for four years attracted only 1 per cent more.

While stressing that the societies would not want to stop handling small accounts, Mr. Mason said they could not continue to support the disproportionate and mounting costs involved in servicing what were effectively current accounts with a high rate of turnover and which made a relatively small contribution to total balances.

Part of the answer, according to the Provincial, is to overturn the concept of term-shares as "loss leaders" and to build up its ratio of longer-term stable money by offering better rates of return while giving less on the ordinary accounts, which now represent a major drain on resources.

The society says it has no fixed ideas on how different rates would be under the new system, which would have to be progressively introduced, although it has contemplated a rate of "current accounts" as low as 2½ per cent. It does not believe such a rate would lead to a loss of small investors, as many are anxious to qualify for a mortgage.

Mr. Mason added: "The time has come for positive action and to make clear the dangers of the present situation — one which contrasts with the general view that societies can continue to grow successfully along present lines. Solutions need to be discussed and introduced or the crisis will undoubtedly arrive."

Coal sales rise of 40% forecast

By JOHN LLOYD

THE NATIONAL Coal Board has forecast a 40 per cent rise in UK coal sales by the end of the century, from 122m tonnes last year to 170m tonnes.

The growth in the market is in line with the Coal Board's production targets, and depends on optimistic assumptions, especially in the growth of the electricity generation and industrial markets.

The Board argued in a statement yesterday to the Commission on Energy and the Environment that "it will be highly desirable, on grounds of national energy policy, to provide for an increase in the use of coal from the mid-1980s onwards (complementing the expansion of nuclear power and measures of energy conservation), always provided that coal can be made available at prices competitive with international energy prices, particularly oil."

It forecasts that power station sales would increase from about 79m tonnes last year to 90m tonnes by the year 2000. Industry coal consumption would rise from 9m tonnes last year to 40m tonnes.

The planned nuclear expansion set out in the Central Electricity Generating Board's corporate plan for 1978 would add between 4,000 and 5,000 megawatts of nuclear capacity to the system every year throughout the 1990s.

The Board said this should be

trimmed back, so that nuclear stations took up only the increase in energy demand over the next 20 years.

On this scenario, coal would supply the fossil fuel needs of the generating boards, and would progressively take all of the market as oil and gas prices increased towards the end of the century.

The Board also said coal would become more attractive as oil and gas become more expensive. Its new combustion techniques—especially fluidised bed combustion—"will enhance coal's competitive position in this market."

Deep mined capacity should rise to 130m tonnes by 1990, and to 150m tonnes by 2000. This is a significant change in its previous forecasts, which called for 120m tonnes of deep mined capacity by 1985 and 150m tonnes by 2000. However, the Board does not make it clear if the 1985 target has been dropped.

Production on opencast mines would be expanded to about 15m tonnes.

The European Commission has said that the National Coal Board will play a big part in sustaining Common Market coal mining.

In a review of mining investment, the Commission said that the UK was investing £437m in the current year on capital projects — more than any other European country.

Chinese shipyard deal won

By Our Shipping Correspondent

A BRITISH consultancy company has won a design and engineering contract for the modernisation of a Chinese shipyard.

The contract, signed by consultants A and P Appledore in Peking, is seen as the first step towards a series of big export deals for the British shipbuilding and marine equipment industries.

Mr. John Parker, British Shipbuilders' board member for shipbuilding, said the deal represented Britain's foot in the door for what was bound to become one of the biggest shipbuilding markets in the world.

Competition for the Chinese business, expected to involve modernising six yards and a possible tripling of the Chinese fleet, is intense.

Mr. Parker said the Japanese were offering free technical assistance to China. The contract with A and P Appledore, which is no part of British Shipbuilders, involves a small, undisclosed sum.

The job is to advise on modernising the Kwangchow Shipyard, Canton, which is China's third largest. It will involve exchanges of technicians between Britain and China and take four months.

A and P Appledore, which was recently taken over by its employees, was responsible for the design of two of Britain's most modern yards: Cammell Laird, Birkenhead, and Sunderland Shipbuilders' Pallion yard.

Rail strike ice problems likely to be repeated

By IAN HARGREAVES, TRANSPORT CORRESPONDENT

TRAIN DRIVERS on British Rail's Southern Region spent much of yesterday running ice-scraping trains which had just about restored a tolerable commuter service by 10 pm when another one-day national rail strike began.

British Rail admitted yesterday that if, as the Meteorological Office is predicting, harsh weather occurs again tonight, the symptoms will be repeated and Southern's morning commuter services virtually wiped out again tomorrow.

Because striking drivers had been unavailable to spray Southern's 3,100 miles of track

with anti-ice film on Tuesday night, they arrived yesterday morning to find some trains frozen to the lines and others without power because of thick ice on the system's ground-level conductor rail.

The only comfort for trainless commuters yesterday was that London Transport was accepting BR tickets for underground travel. This is not possible on strike days for fear that IT staff be accused of strike-breaking. Rail travellers need to bear in mind, therefore, the precise reason for the dislocation of their travel arrangements before tendering their tickets.

Those who have weekly season tickets on BR are entitled to a refund for lost travel and those with tickets for longer periods may choose between a refund and an extension of the ticket. They are asked to wait until the end of the strike before declaring their preference.

Southern Region said yesterday, however, that refunds were only automatic in cases where the "whole service" had been cancelled, but it would be taking a "pretty generous" view of marginal cases. Heaven help the ticket office clerk whose generosity is found wanting.

Colorado base for Inmos' research

Financial Times Reporter

INMOS, the micro-electronic company set up by the National Enterprise Board, has established its U.S. headquarters in Colorado Springs, 60 miles south of Denver, Colorado.

The company will also establish a research and development base and a pilot production plant in the town.

Dr. Richard Petritz, Inmos' president, said yesterday that Colorado Springs was chosen partly because of its pleasant location—it is situated in the foothills of the Rockies—and partly because it is developing as a minor micro-electronics centre.

Two electronic companies—Hewlett Packard and Digital Equipment—have recently opened bases there.

Dr. Petritz said that Inmos had made "some outstanding acquisitions" for the core of its highly skilled staff. Details of these recruits, and on the size of the workforce, will be released next week.

The plant in the U.S. will develop many of the products which Inmos will later manufacture, especially those in the micro-memory field. After pilot production in the U.S., the products will be mass produced in the UK. It is thought that the Inmos Corporation, the U.S. side of the venture, will employ about 1,000 people.

Four production units are planned for the UK, employing 4,000. Earlier this week, the Prime Minister confirmed that these would be sited in development areas.

Councils 'may be forced' to break 10% rates rise guidelines

By PAUL TAYLOR

COUNCIL RATE increases "well beyond" the Government's 10 per cent guidelines for 1979/80 are predicted in a report by the Centre for Environmental Studies published yesterday.

The independent report says local authorities may be forced to breach the guidelines because of the rigid system designed to control extra council spending to cover inflation and higher wage costs.

With some local authorities, particularly those in London, announcing rate increases of up to 37 per cent and council manual workers taking industrial action over wage claims, the report pinpoints the dilemma.

The introduction criticises the present inflexible cash limit system by which Government attempts to control the additional spending of local authorities caused by wage increases and inflation as incom-

patible with the realities of wage bargaining.

Mr. Anthony Harrison, research director of the review, said yesterday that the system makes it difficult, if not impossible, for local authorities to make "sensible" provisions for the coming financial year.

He accepts that some form of cash limits are needed, but argues that it would be mere sensible to incorporate some form of comparability with the private sector.

Lloyds Bank to start share issue scheme

By TIM DICKSON

LLOYDS BANK yesterday announced a new profit-sharing scheme, involving the issue of shares, for its longer-serving UK employees. It will benefit those of the 23,000 employees with five years' continuous service and will supplement the bank's existing cash-only profit sharing arrangement approved in 1977.

Foster Brothers, the clothing retail group, has revealed further details of its first profit-sharing scheme approved by shareholders on Tuesday.

Both companies are taking advantage of provisions in the 1978 Finance Act which granted important tax concessions to employees under profit sharing schemes.

Lloyds and Foster Brothers have received official blessing

from the Inland Revenue which is looking at schemes submitted by about 30 other companies.

Last year's Finance Act allows employees realising shares after five years but before seven years to pay income tax at their appropriate individual rate on 50 per cent of the original value. After seven, but before 10 years, the percentage drops to 25 per cent and if the shares are held for 10 years or more no tax is paid. Under these concessions the value of shares per person is limited to £500.

Foster's scheme will apply for the year to February 28, 1979 and, according to the company, each employee's share will be about 6 per cent of basic pay.

Hill Samuel director leaves executive duties

By MICHAEL LAFFERTY

MR. VICTOR WOOD, a senior director with Hill Samuel, the London merchant banking and financial services group, has given up all executive responsibilities in the group.

Mr. Wood had been chief executive of Hill Samuel Broking and Consulting Services, the second largest of the group's three divisions, for several years.

He said last night that he was leaving "for personal reasons" and added: "I have never had any ambitions in Hill Samuel beyond what I have already achieved."

Mr. Wood, 53, said he had always regarded 55 as the age

to stop executive duties. He had decided to bring it forward during a recent illness, from which he was now fully recovered.

He is the second senior executive to give up executive duties at Hill Samuel in the past year. Early last year, Mr. John Elton resigned as chief executive of the merchant banking division for family reasons.

Mr. Wood also holds directorships of Haslemere Estates, Coalite and Chemical, and the English Insurance Company.

He will remain on the Board of the Hill Samuel Group, but will seek other non-executive and part-time positions.

Britains calls Receiver to paper subsidiary

By JOHN MOORE

BRITAINS, the Staffordshire-based paper group with interests in engineering and insurance, has called in the Receiver to its Britains Paper subsidiary.

The company manufactures speciality products such as carbon and cigarette papers mainly for export. Britains said yesterday that the subsidiary at Cheddleton, near Staffordshire, had operated at an increasing rate of loss "due to excess

capacity" in world paper markets which had "led to a slide in selling prices."

It had also been hit by the lorry drivers' dispute at a time when the company's Cheddleton factory was undergoing massive reorganisation.

Equity Capital for Industry, which last year injected £2m into Britains, said yesterday that, as a result of the closure, the group's export effort would be "markedly diminished."

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UK NEWS

Bank 'failed to act' over Crown Agents

BY TERRY OGG
SIR CLAUDE HAYES, former chairman of the Crown Agents, has alleged that the Bank of England did not take any, or sufficient steps to ensure that the Crown Agents conducted their banking affairs prudently at all material times...

of the Crown Agents as financiers on own-account in the years 1967-74. The matter was raised by Mr. Rankin when seeking the tribunal's approval to attempt to establish through Mr. Peter Sly, a former real estate investment manager at the Crown Agents, that the Bank of England knew of the existence of comfort letters given by the Crown Agents to some lenders to a Crown Agents subsidiary, English and Continental Property Company.

Lloyds Bank calls for duty index

Financial Times Reporter

THE Chancellor should index the specific duties on petrol, alcohol and tobacco and the higher income-tax bands to the rate of inflation in the next Budget, argues Lloyds Bank's economic bulletin, published today. Mr. Christopher Johnson, the bank's economic adviser, argues that this would help to preserve the balance between direct and indirect taxation...

UK air fares 'would drop if regulation was ended'

BY LYNTON McLAN

BRITISH domestic air fares would fall quickly if price regulation was ended by the Civil Aviation Authority, MPs were told yesterday. The fare for flights between London and Glasgow, now 235 single, would fall to 220 if the practices and productivity of U.S. domestic airlines were applied in Britain...

their costs. "We want to see similar rules in Britain that would enable judgments to be formed about each airline." He said that the lack of information meant that even the CAA had difficulty in defining an efficient airline. British domestic air fares were up to twice those for similar distance routes in the U.S. Low productivity was one of the main factors contributing to higher UK air fares, he added.

British airlines also made excessive use of agents to sell tickets. Twice as many air tickets sold in Britain compared with the U.S. involved the payment of commission. British domestic air passengers also subsidised travellers on international services connecting with European flights through London. The international traveller paid less than the normal fares for flights on-ward from London.

Hillards to sell 17 stores in South

By Our Consumer Affairs Correspondent

THE northern-based Hillards supermarket chain is pulling out of limited-range discounting in the south after less than a year of trading. Hillards acquired 17 stores in southern England from Key Markets last June, and planned to use them as a base for expansion into the southern market...

Corby seeks assisted area status to beat jobs crisis

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

A STRONG plea that Corby should be given assisted area status by the Government was made yesterday by Mr. Frederick Harris, leader of Corby District Council. Unemployment in the town was already running at 9 per cent, and if the British Steel Corporation closed any of its steel-making operations the figure could rise to over 17 per cent, he said in London.

financed by the three authorities, the Government and the EEC, which put up £10,000. The report says that there are two overriding needs if Corby is to overcome its problems. In addition to "the overdue grading to assisted area status" something should be done to improve communications, particularly the east-west road linking the town to both the M1 motorway and the A1 trunk road.

the overwhelming influence of the steel industry on the town. BSC accounts for half the workforce of just over 24,000 but in the early 60s its share was about 70 per cent. The report states that over the next five years Corby needs at least 500 new jobs a year to cater for the growth in its labour force, and find work for those now jobless, and offset any future closures.

Datsun prices rise by 10%

DATSUN is increasing the price of some models by up to 10 per cent from February 1. The top-selling Cherry two-door saloon will go up by £200 to £2,498 and the Sunny two-door model will cost an extra £240 to £2,898. The biggest increase is £560 for the luxury 280-C saloon at £6,174.

GLC 'needs wider powers'

SIR FRANK MARSHALL last night defended his report on the Greater London Council which recommended that the council should be given a strategic planning role with wider powers for transport, health care, public utilities and other services.

Sir Frank was speaking at a meeting of the Royal Town Planning Institute in London. Echoing comments made in his report on the GLC published last year Sir Frank said that because of a growing public feeling of the remoteness of government in general it was necessary to clarify the lines of responsibility between local, metropolitan and central government and to ensure that each tier had enough resources to fulfil its duties.

BBC seeks cash advance to stave off insolvency

BY ARTHUR SANDLES

CONSIDERABLE rises in BBC receipts from publishing activities and the sales of programmes abroad have proved to be little compensation for a steady overall drift into debt. This is confirmed by both recent corporation statements and the BBC annual report and accounts published yesterday. The BBC is approaching the Government for some aid in handling its present cash difficulties.

that in the year to March 1978, profit on Radio Times went up from £1.2m to £2.3m, and profit on sales of programmes abroad went up from £2.2m to £3.1m. However, these are minor sums compared with the £172m spent on television against £143.6m in the previous year. Radio costs rose from £58m to £66.6m. All these figures exclude capital expenditure.

"What we needed were licence fee settlements at levels which would allow us to plan well ahead. Five years would be ideal because that is the period of our rolling budgets. Three or four years would make practical sense," say the Governors. They add: "Feeling as we do about the importance of the licence fee system we want to avoid seeing it degenerate into a kind of grant-in-aid doled out at annual intervals. We believe that the Home Office agrees with us in wishing to avoid that degeneration."

Tight money 'not enough' to win inflation battle

BY DAVID FREUD

CONTROL of the money supply alone will not be enough to hold down the rate of inflation, according to City stockbrokers Phillips and Drew. In its latest circular the firm says that one of the chief factors supporting the securities markets during the industrial disputes has been confidence that as long as the money supply is kept under control any rise in the rate of inflation is likely to be temporary.

monetary policy could act on the economy when prices surge. It could encourage companies to bring in funds from abroad, or retain them in the country when they would otherwise have moved them overseas, to finance expansion. This would tend to result in a stronger pound, which would moderate price inflation. The firm argues that the evidence in the U.K. does not back up this prospect. There was no demonstration that "the linkages between high credit demand, tight money supply and a firm pound on the exchanges, resulting in a reduction in the rate of inflation of import costs, operate in practice."

Alternatively, a tight monetary policy might affect the rate of growth of output through cuts in public spending, tax increases or high interest rates. Finally, high inflation rates might encourage people to save more, cutting consumer expenditure in real terms and reducing the rate of growth.

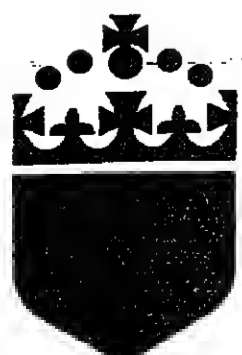
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Extra oil reserves 'pose technical difficulties'

BY MAURICE SAMUELSON

IN ADDITION to the UK's known recoverable reserves of offshore oil, there were "several billions" west of the Shetland Isles and "some billions" in the mid-North Sea, Lord Kearnton, chairman of the British National Oil Corporation, said yesterday.

But he told the Commons select committee on the nationalised industries that recovery of the oil posed great technical difficulties and the industry was not yet certain about how it could be done.

Marine conditions west of the Shetlands, as well as in the South West Approaches, were worse than in the North Sea. The difficulties in the mid-North Sea were geological.

Lord Kearnton, during his evidence was asked by Mr. Edwin Wallwork, Labour MP for Dearne Valley, and chairman of the corporation's sub-committee whether he rejected the widely held view that North Sea oil would be exhausted quickly.

Taxes

Lord Kearnton said that if the other reserves proved impossible to exploit, the industry would have to develop smaller, scattered reserves. In the North Sea events had vindicated his earlier claim that the exploration "bonanza" was over. Of 25 fields being developed, only Beatrice had been discovered since 1975.

Accompanied by two other

Corporation officials, the chairman of the State oil company also gave evidence about the BNO's finances and administration and about the Government's North Sea oil policy.

Petroleum Revenue Tax would, perhaps, fall more harshly on marginal North Sea oil fields, but even after taxes the very profitable fields still yielded profits of 35-45 per cent. Mr. Jerry Evans, the corporation's managing director for policy, said that even though some major companies had not taken part in the sixth round of offshore licensing bids, the corporation expected to have some good partners when the Government announced its allocations.

Some companies had been unhappy about the system of application rounds and the Government was thought to be considering a different method of allocating exploration sites, said Mr. Evans.

On BNO's financial performance, Lord Kearnton said that a profit would be shown this year, and it would increase steadily over the next two years. Although originally founded with 90 per cent Government loans, less than four years ago, it had since benefited to the tune of £20m through commercial borrowing, which had not been reported to Parliament.

Asked whether this was not "off balance sheet financing" and an evasion of the Act of Parliament which created the corporation, Lord Kearnton said



Lord Kearnton Gave evidence.

that such finance was well within the Act's borrowing limits.

The Government had sought legal advice on the corporation's practice of making "forward sales" in the U.S., and had been told they were not reportable to Parliament since they did not constitute a loan in legal terms.

It was also in accordance with Parliament's original wish that the corporation should "act in a commercial way". Defending the corporation's

technical competence, since its creation almost four years ago, Lord Kearnton said that it could now "hold its own" with the best advice the Government could receive.

Among areas in which its forecasts had proved more accurate than those of other oil circles were the development of the Thistle and Ninian fields, and the time and cost of building the Sullom Voe oil terminal.

Generous

Two years ago, it had also rightly forecast that profits at the Statford oil field would be disappointing. In its hope for a bonanza, the Norwegian Government had added too many conditions and Statford's development costs had been almost double those of any other North Sea field.

The corporation had 1,040 staff and might eventually reach 2,000, Lord Kearnton said. Salaries and pension schemes were generous in order to attract people with professional qualifications. The corporation contributed 23 per cent of an employee's pension compared with 5 per cent by the employee.

Remuneration had to take account not only of the salaries available in other companies but also those of manual workers on oil platforms who earned £10,000-£12,000 a year. Even so, BNO's salary rates were beginning to fall behind those of the private oil industry.

Aid for multiple sclerosis study

THE MULTIPLE Sclerosis Society collected about £750,000 towards research last year, more than £200,000 over its 25th anniversary appeal target. Mr. Gilbert Macdonald, the society's chairman, said in London yesterday.

Although the society had doubled its revenue in the past year, Mr. Macdonald warned that more cash would still be needed for research into multiple sclerosis, the most common organic disease of the central nervous system.

Report urges compensation for blunder by Ministry

FINANCIAL TIMES REPORTER

CRITICISM by the Ombudsman that the Department of Transport had failed to fulfil its duties under the Land Compensation Act over a road improvement scheme in South-East London has been upheld by a House of Commons Select Committee.

The Select Committee said it agreed with the findings of the Ombudsman — the Parliamentary Commissioner for Administration — that there had been "a degree of defective administration" by the Department "which had resulted in injustice".

The Ombudsman had found that residents near Rochester Way in Bexley had not been properly informed of their possible rights to compensation under the Land Compensation Act 1973, arising out of a road development scheme.

The Department has refused to allow the complainants to make late claims for compensation and says it does not con-

sider the cases are "sufficiently exceptional" to justify making ex gratia payments to them.

The Select Committee concluded: "The complainants have suffered injustice for which they should be compensated, either by an extra-statutory payment or, if the Department remains of the view that such payments would be improper, by amending the Land Compensation Act so as to enable these claims to be considered."

Motor cycle sales fall by 10.4%

By Kenneth Gooding, Motor Industry Correspondent

MOTOR CYCLE sales fell 10.4 per cent last year compared with 1977 according to Department of Transport statistics published yesterday.

But the market was still being distorted by a decision, effective from August 1977, requiring manufacturers to limit the maximum speed of mopeds—motor cycles under 50cc—to 30 mph. There was a build-up of sales as a result before that date.

Last year, registrations of mopeds fell from 85,690 to 56,570, a drop of just under 34 per cent.

For motor bikes over 50cc the market was reasonably stable at 172,842 compared with 170,408 in 1977, a modest 1.4 per cent rise.

According to the Motor Cycle Association, however, demand for machines under 200cc—still the largest sector of the market—was disappointing while sales of the bigger models showed healthy percentage increases.

Mr. Hugh Palin, president of the association, forecasts better overall sales in 1979—"perhaps by as much as 7 per cent to achieve 240,000 registrations."

Doctors support compulsory seat belts Bill

By Paul Taylor

THE British Medical Association yesterday urged all MPs to support a Government Bill making the wearing of seat belts in cars compulsory.

In a letter to MPs, Dr. James Cameron, chairman of the Association's council, stressed the increasing number of young people killed or crippled in road traffic accidents and drew attention to the burden such accidents placed on the health service.

He said the proportion of front seat passengers wearing seat belts in Britain was "far too low".

The Bill, introduced by Mr. William Rodgers, Transport Secretary, is due to be published today.

Surplus capacity and imports 'hit carpet industry'

BY RHYD DAVID, TEXTILES CORRESPONDENT

OVER-CAPACITY and increasing imports are likely to pose continuing problems for the UK carpet industry, postponing any recovery until at least 1981, according to a new survey.

It points out that the industry's current capacity levels were planned on the basis of the 12 per cent growth rate achieved before 1973, but that growth has slowed to only 1.5 per cent. Though retail volume growth may increase to 2.5 per cent, the industry in the UK may grow at a slower pace mainly because of the big increase which has taken place in imports.

Until 1975, it notes, imports held only a 6.7 per cent share of the market with half of all imports coming from the Republic of Ireland. "In 1975 and 1976 Denmark began to emerge as a UK supplier followed by Belgium and now in 1978 other EEC countries, notably the Netherlands and Germany have all begun to replace Eire. There is now some indication that the U.S. is looking actively at the UK market, which with a weak dollar must be of concern for the future," says Mr. David Buck, author of the report.

Imports have doubled since 1973 from 10.3m sq metres to 21.4m sq metres, increasing their share of the market from 7.3 per cent to 14.2 per cent, greatly reducing the price advantage once held by UK producers of tufted carpets, now 70 per cent of all sales.

The report, by stockbrokers Laing and Cruikshank, forecasts further rationalisation and closures within the industry and believes this will help to restore profitability after 1981 by bringing

ing about the necessary reduction in surplus capacity. An increase in the number of companies going into receivership, particularly within the woven sector, is also predicted.

Specialities

Exports are thought to have been increasingly important to profits and are seen as likely to play a large part in any recovery, though in the short term volumes may decline. The trend, however, will be towards the export of speciality exports, particularly of woven carpets, with local producers able to satisfy demand for mass-market tufts.

The report concludes that there are still too many small companies in the industry, and it believes another big group should be formed to rival Carpets International with sales approaching £100m, and market capitalisation of at least £20m. It calls for a rationalised group specialising in high-priced high-quality carpets with target export sales of at least 40 per cent.

The industry is urged to divest itself of many of its overseas subsidiaries which are seen as a drain on management and financial resources and a threat to direct imports. Productivity must also be improved to help combat imports.

The report says that there should be Government assistance towards closure of outdated and inefficient production—along the lines of the recent wool textile industry scheme—to reduce the industry's over-capacity.

IBA offers local radio contracts

APPLICATIONS for contracts to operate independent local radio services for the area of Gloucester and Cheltenham and the Peterborough area will be invited by the Independent Broadcasting Authority in the next two weeks.

The closing date for applications will be about 10 weeks later. "The authority will seek contractors capable of combining popular programming with fostering public awareness of local affairs and with involvement in the communities they will be serving," the authority said. Details, including the prospective coverage of the stations, will be available when the invitations to applicants are advertised.

Credit card plan for Co-op shoppers

By Our Northern Correspondent

THE CO-OPERATIVE Bank is to launch a national credit card for Co-op members using its stores. It will be valid for a wide range of goods.

To be called Handycard, it was announced by Sir Arthur Sugden, chairman of the bank, at the topping out ceremony yesterday of the bank's new £5m head office in Corporation Street, Manchester.

A pilot scheme for the card will be tried in the Midlands during the spring and this will be extended gradually to the whole country by the end of the year.

Two forms of service will be available to Co-op store customers—term accounts, which are designed to replace existing hire purchase and credit sales business; and budget accounts, which will provide a credit card service through which customer loyalty can be steadily built up.

Success

Sir Arthur said that the name Handycard had been chosen because of the success of the Handybank network, which together with banking services in over 4,000 Co-op stores during normal shopping hours, often including Saturday service.

Timing of the proposed launch and other details about the card, which is to be processed by Barclaycard, are still being finalised. Consultations have been held with retail co-operative societies, which have shown a desire to take part.

The seven-storey new bank headquarters is being built by Henry Boot Construction and is due to be opened early next year. The Co-op Bank says its customers increased by over 15 per cent last year.

A public banking hall and offices for the Manchester branch will be on the ground floor, with head office departments and an executive suite above.

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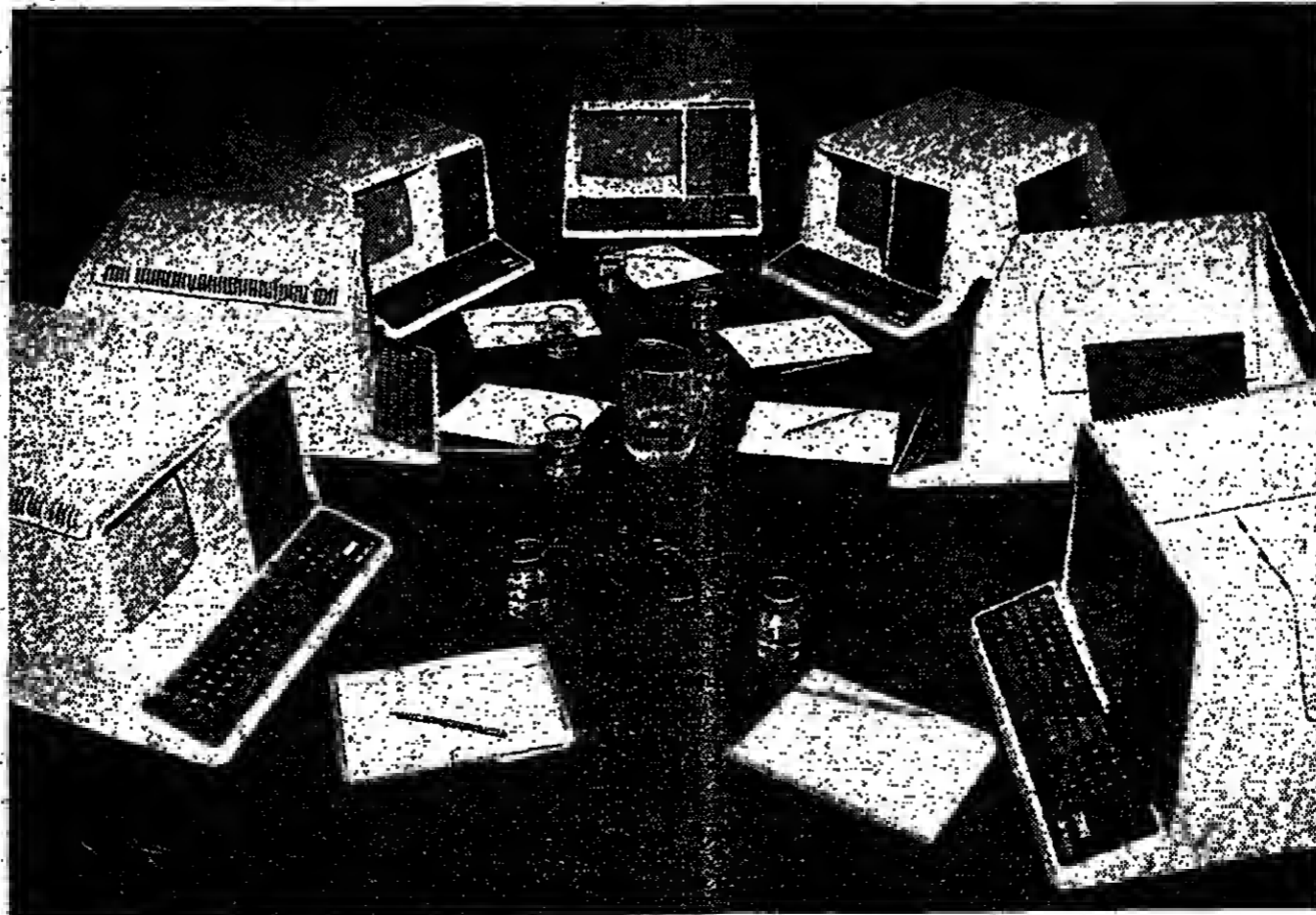
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Car Magazine

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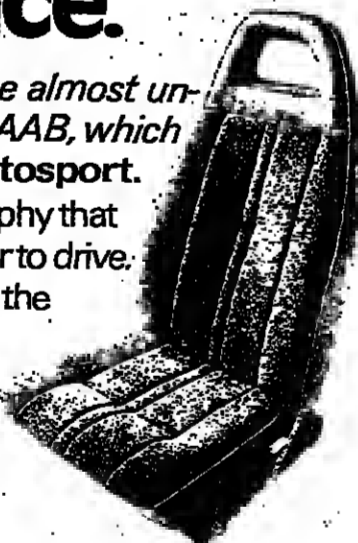
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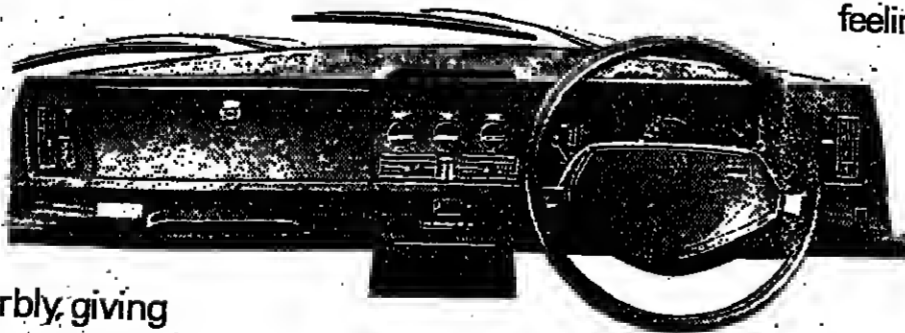


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North West fears export customers are losing confidence

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UK NEWS - PARLIAMENT and POLITICS

Bankers' policies spurned

By R. Evans, Lobby Editor
A LEADING Labour backbencher yesterday strongly criticised Mr. Gordon Richardson, Governor of the Bank of England, for recent speeches he has made advocating strict adherence to the Government's money supply targets and to fiscal restraint policies.

Major decline in production likely if drivers' strike continues, says Home Secretary
Rees guarantees delivery of essentials

By JOHN HUNT, PARLIAMENTARY CORRESPONDENT
BRITAIN will soon face a major decline in production if the road haulage strike continues, Mr. Merlyn Rees, the Home Secretary, warned yesterday in the latest Government crisis statement.

Changes on danger viruses

LABORATORY safety regulations are to be tightened up following the report on the smallpox outbreak at Birmingham University last summer, Mr. David Ennals, Health Secretary, announced in the Commons yesterday.

MPs fight avalanche of words

By PHILIP RAWSTORNE
MORE disruption in the Commons yesterday as the hizzard of Government statements—the ninth in eight days—continued.

Majority favour tax help for BR

By Ray Perman, Scottish Correspondent
LOSSSES incurred by British Rail as a result of the train drivers' strikes will not be made up by the taxpayer, Mr. William Rodgers, the Transport Secretary, told the Commons yesterday.

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Table with multiple columns of bond serial numbers for redemption.

Bonds so selected for redemption will become due and payable in United States dollars on March 1, 1979, at the office of Dillon, Read & Co., 48 Wall Street, New York, New York 10005, at one hundred per cent (100%) of the principal amount thereof with interest accrued thereon to the redemption date.

Chuffing along

By John Hunt
THE PRIZE for poor timing in the Commons this week goes to Mr. Bruce Grocott (Lab. Lichfield) and Mr. William Rodgers (Cons. Stroud) who yesterday in the Commons, particularly commuters, were 'sick to death' by the disruption caused to their lives.

Making virtue of Euro-necessity

By ELINOR GOODMAN
AFTER MONTHS of resisting direct elections to the European Parliament, anti-marketiers on the Labour Party's national executive have finally managed to make a virtue out of necessity.

By Mr. Anthony Wedgwood Benn, the Energy Secretary, who, as an NEC member, was chairman for the earlier drafting meetings told the Prime Minister yesterday the manifesto represents the party's views and not those of the Government or necessarily Labour members of Parliament.

ROBIN REEVES REPORTS ON WELSH DEVELOPMENT AGENCY ACTIVITY

Public enterprise with the Valleys at heart

THE HEADQUARTERS of the Welsh Development Agency are to be found, symbolically, not amid the lawns of Cathys Park, Cardiff's administrative centre...

This different economic structure, he suggests, has kept a reservoir of management talent in Scotland, working in medium size firms and sensitive to entrepreneurial opportunities.

The removal of thousands of acres of slag heaps and the cleaning of derelict land begun in the aftermath of the 1966 Aberfan disaster under the direction of the Welsh Office.

Now a WDA responsibility, it has transformed the environment in large areas of South and North Wales. Together with greatly improved communications, it has undoubtedly been of key importance in attracting new industry.

But the WDA's most publicised incentive has been a massive advance factory building programme. In this financial year, it will have spent no less than £32m—double the expenditure of the previous two years—building industrial estates, factories and extensions.

There was a time when the building of advance factories and estates was highly controversial. Many lay empty during the 1960s—arguably because they were built in the wrong places for political reasons.

But lessons were learnt and in Wales at least any misgivings over this approach were finally scotched by the decision of Ford to site its new engine plant at Bridgeford.

ANOTHER batch of investments worth more than £1m was announced by the Welsh Development Agency yesterday.

The biggest project is a £250,000 loan to enable Webb and Son of Ferrdale to expand its bookbinding operations into a new factory alongside the company's existing premises.

In addition, the Patel Company of Oakdale, Gwent, is receiving £100,000 to make a new type of electronic fire alarm.

Wilcox Computers of Llay, Wrexham, has secured an £85,000 investment deal to facilitate expansion, and Gower Chemicals an £97,000 loan towards the cost of building a depot and processing works at Swansea Docks to supply sulphuric acid to industry.

Gray does not accept that the Welsh are short on business and management acumen—preferring to become teachers and preachers instead—but simply believes it has traditionally been channelled in other directions.

The net result is that the WDA has not had a flow of Welshmen with bright ideas, but no capital, queuing up at the door. It admits to have been going to emerge seeking backing to launch their own businesses.

But the WDA is pursuing its task of strengthening the economy in three principal directions.

It is making a big effort to attract new industry to, both through its own resources and the Welsh Development Corporation, an overseas promotional arm which is supported by Welsh industrialists, the Government and local authorities.

CONTRACTS

Post Office places £1m orders for electronics gear

ORDERS worth about £1m for radio pagers and terminal equipment are to be placed by the Post Office with MOTOROLA ELECTRONICS, the U.S.-based communications group.

JOHN LAING CONSTRUCTION has been awarded a £2m contract to fit out a new store for Debenhams in Blackburn. The 90,000 sq ft store shell, which was built by Laing under a separate contract...

Two orders worth £260,000 for "Vibro" vibrating rollers have been received by SPYBROOK AND FITT from Isis Plant and Edison Plant.

BICC GENERAL CABLES has been awarded a £400,000 contract by Dubai Natural Gas Company to supply cables for on shore/off shore natural gas gathering and separation plant being built at Jebel Ali, Dubai.

A £250,000 contract to supply the Royal Navy with side band marine radiotelephones has been placed with RACAL MARINE.

FOUNDRY EQUIPMENT INTERNATIONAL, a member company of the Aurora Group, has been awarded a £194,000 contract from Castings for a sand plant for its new foundry.

Chrysler United Kingdom has placed a £78,000 order for REEFON COMPUTERS, the £400 data entry system is to be configured with eight terminals with memory and controller capacity for up to 48 terminals and has a

central processor with SMB disk, 500 lpm printers, 300 cpm card reader, and IBM protocol communications.

The furnace division of WELLMAN INCANDESCENT has an order worth £100,000 for a heated pusher type mould heating furnace for E. Turbine Composites, in Yorkshire.

Remote handling equipment, built by VICKERS NUCLEAR and worth £200,000 has been commissioned at Oldbury nuclear power station.

An advance factory of 450 sq metres, worth about £94,000, for the Development Commission at Leeming Bar Industrial Estate, Northallerton, is being built by WALTER THOMPSON (CONTRACTORS), Northallerton.

Avis Rent-a-Car UK has ordered 140 MERCEDES-BENZ automatic saloons, models 250 and 280 SE, for its main self-drive fleet, at a cost of £1.4m.

An order worth over £500,000 has been placed with PLESSEY EAE by Mesa Eastern Inc, for a telecommunications package for the Beatrice oilfield platform complex 20 miles south of Wick in the Moray Firth.

Two contracts worth over £250,000 have been awarded to the design and project division of the VICKERS DESIGN AND PROJECTS DIVISION. One, from Sim-Chem, is for copper busbars and connectors to be used in the modernisation of the BP Chemicals chlorine plant at Sandbach, Cheshire.

Criticism tends to come from the left, from trade union and nationalist circles. The Agency is attacked for being over-cautious and behaving simply as the "hand maiden" of private industry.

Treforest, established just before the war, was the great white hope of industrial South Wales, a new means of attracting modern manufacturing industry to the coal mining valleys to absorb the massive unemployment of the 1920s and 1930s.

Similar high hopes surrounded the birth of the WDA nearly three years ago. In common with its English and Scots equivalents, the National Enterprise Board and the Scottish Development Agency, establishment of the WDA was not without controversy.

The Conservatives were deeply hostile to its public enterprise role. But to many other people, Wales seemed at last to be getting an economic development instrument with the teeth and resources to make a big impact on the country's economic problems.

Today, the WDA is firmly entrenched as a feature of the Welsh economic and political landscape. The Conservatives have not only dropped their original threat to abolish the Agency, and its country cousin, the Development Board for Rural Wales, if returned to power, but are full of praise over the way the WDA has approached its task of bolstering the Welsh economy.

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The quality family car. GL & 3365 GR & 3655 SR & 3994

Before we designed the 305, we asked potential buyers what they were looking for in a family car. The answer came loud and clear: "A modern, stylish, comfortable, economical quality car—comprehensively equipped." Armed with this information, we set to work.

We used the latest materials and technology and produced an engine manufactured from light aluminium alloy as this reduced the overall weight, giving the benefits of a lower centre of gravity, balanced load, light steering and fuel economy.

You rightly looked for a comfortable ride—so we looked firstly at the suspension and selected the very best—four wheel independent suspension to ensure excellent roadholding whatever the surface condition.

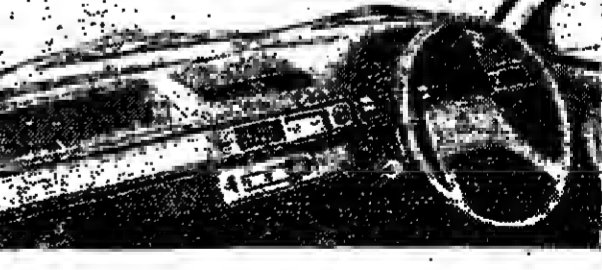
We chose an extra long wheelbase so that you would sit in between the wheels and not over them, and

finally the seats—orthopaedic specialists were consulted and as a result of this the seats were constructed using a pressed steel well and tubular steel seat back frame, with flexible metal support, and cloth upholstered with thick polyester padding.

Numerous active and passive safety features thoroughly tested and proved on an experimental safety vehicle have been built into the design of the 305—a rigid passenger cell has been constructed and front and rear crumple zones ensure maximum protection for all occupants.

Economy was naturally high on your priority list. You have seen the prices—add to this the excellent petrol consumption figures and consider that main service intervals are every 10,000 miles; you can see we have heeded your request. In addition, the 305 is covered by our simple straightforward twelve month unlimited mileage warranty.

And there's a choice according to your particular requirements. There's the 1300cc GL and GR models and the 1500cc SR, each with a very high level of standard equipment and available in a range of beautiful colours. There's a wide variety of options, such as metal sunroof, electric front windows and tinted glass.



The key words throughout the 305 development were quality and style. We would be very pleased for you to judge for yourself whether we have met up with your standards—any of our 230 dealers will be pleased to offer to take you for a test drive.

Table with 5 columns: Model, Price, Engine Size, Fuel Consumption (City/Highway/Combined), and Simulated urban driving.

A form with fields for Name and Address, and a checkbox for 'I am interested in a Peugeot 305. Please send me details.'

Send to: Customer Relations Dept., Peugeot Automobiles (UK) Limited, 253 Western Avenue, London W3 0RS. Tel: 01-993 2331.

PEUGEOT World Success for strength.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1970=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Table with 6 columns: Year/Quarter, Indl. prod., Mfg. output, Eng. orders, Retail vol., Retail value, Unemp., Vacancies.

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly averages).

Table with 6 columns: Year/Quarter, Consumer goods, Invest. goods, Intmd. goods, Eng. output, Metal mfg., Textile, Housing starts.

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

Table with 6 columns: Year/Quarter, Export volume, Import volume, Visible balance, Current balance, Oil balance, Terms trade, Resv. trade.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); buildings societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

Table with 7 columns: Year/Quarter, M1, M3, Bank adv., DCE, BS, HP, MLR.

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

Table with 7 columns: Year/Quarter, Earn. index, Basic mths., Whols. mths., RPI, Foods, Comdy, Strig.

All prices inclusive of VAT and Car Tax—Delivery and number plates extra. Prices correct at time of going to press. *In accordance with official Government testing procedures. Finance and leasing facilities available through Peugeot Finance.

THE JOBS COLUMN

Two dozen assorted for Manpower, etc.

BY MICHAEL DIXON

LANCE SECRETAN needs at least two dozen managerial people right away to help to run the UK operations of the Manpower work-contracting concern. Whereupon Jobs Column readers, being of an inquiring cast of mind, may ask: what kind of managerial workers?

Which accounts for one of the openings at headquarters—for a data processing manager to whom Manpower expects to pay a salary of £8,000 to £9,000 plus the bonus related to value added which is common to all the headquarters management jobs.

moving into general management. The previous field isn't important, provided they've got oomph. People without it just don't survive in the competitive conditions we have here.

U.S.\$60m from a diversity of businesses in vehicle distribution, fishing, plantations, farming and general trading.

Beeth has challenged me to find him a skilled business person of primarily French or German culture even if now working elsewhere, who is interested in joining him as a consultant in any one of three activities.

Open-ended FINALLY today to a remarkably open-ended requirement by Gunnar Beeth, president of International Management Consultants which, although based in Brussels, would evidently feel belittled if I said it looked on the whole of Europe as its own backyard.

Group Accountant (With room to grow) c. £9,000 South Yorkshire This new opportunity is quite simply exceptional. Our client is a group of companies, engaged primarily in the Construction and Engineering Industries.

FINANCIAL CONTROLLER Liberia c. \$25,000 net + House, Car & Substantial Benefits Our client is the subsidiary of a diversified multi-million turnover group engaged in processing and distribution activities throughout the world.

Personal Financial Planning Because of the expansion of demand for the Personal Financial Planning services offered by a major life office and its unit-linked subsidiary, a new post of Personal Tax Manager is being created, based in Central London.

Young Graduates c. £5,500 Our client forms the Headquarters of one of the world's most successful marketing and manufacturing organisations.

Career Opportunity in International Oil Company Public Affairs Officer London Based Amoco Europe Incorporated is an affiliate of Standard Oil Company (Indiana), one of the six largest U.S. oil companies.

SUN LIFE ASSURANCE Banque de la Société Financière Européenne International Bank Located in Paris is looking for INTERNATIONAL BANKERS

Chief Executive Major Construction Co. Caribbean Our client is a major construction company with operations not only in this country but also in the Middle East and the West Indies.

INBUCON Financial Director This post is designed to attract a professional man or woman who wishes to join a small, but dynamic team in developing a company in the consumer goods market.

INTERNATIONAL BANKING OPPORTUNITY Fast-growing international bank with Middle East orientation invites applications from ambitious bankers ideally aged 26-32 for several vacancies which have arisen in its lending department in London as a result of recent expansion.

Manager - Financial Division upto £12,000 + car Saudi International Bank, a rapidly expanding City based bank whose shareholders include the Saudi Arabian Monetary Agency and several of the world's leading banking names, wish as part of their current expansion plans to recruit a Manager for their Financial Division.

مركز ان التوظيف

Singapore **C&L** S\$100,000 p.a. + housing

CORPORATE PLANNING MANAGER

A large and highly successful industrial and trading group in Singapore with substantial regional operations wishes to appoint a Manager to head the Corporate Planning Department.

Based in Singapore, he will be responsible to the Chief Executive for the preparation and co-ordination of the group's medium and long range plans as well as the provision of planning guidance to divisional operating management. He will liaise with management at all levels in the development of corporate strategies and explore new business opportunities including possible acquisitions and new approaches to existing business activities. This is a key appointment which is a natural step to top management in the group.

The ideal candidate, an MBA, will be a Chartered Accountant or an Economist in his early 40s. He will preferably have had a broad consulting experience of a practical nature, with the energy to get back to basics and the vision to develop from this base into a very senior group management role. A background in manufacturing industries would be appropriate with experience at large unit or divisional level. A strong emphasis is placed by the group in extending its investments. A prime requisite of this function is a thorough understanding of the realities of take-over bids and mergers.

The starting salary will be negotiable up to S\$100,000 per annum (currently equivalent to c.£23,000) with normal fringe benefits and initially on a two year contract basis.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to P. H. Broadbridge, Executive Selection Division, at the address below. Please quote ref. BF143 and include, if possible, a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

MINSTER INSURANCE GROUP

wish to appoint
A STATISTICIAN
as Head of Statistical Services

This is a new Head Office appointment which has been created by the expansion of the Management Services Department.

Responsibilities: To provide and further develop management information within the Company and to assist in the development of forecasting, using statistical methods and modelling techniques.

Experience: Previous experience in the application of these techniques is essential, and knowledge of the analysis of non-life insurance business and the use of computer facilities will be a distinct advantage.

Qualifications: A degree or equivalent in a numerical discipline.

Salary: Circa £8,000 per annum.

Benefits: First class non-contributory pension scheme, non-contributory permanent health scheme, mortgage facilities and re-location assistance will be considered.

Applications should be made in writing, and in confidence, giving details of career to date and personal details to:

Mr. B. F. I. Lamerton,
Group Assistant General Manager,
Minster Insurance Co. Ltd.,
Minster House, Arthur Street,
London, EC4R 9BJ.

Senior Foreign Exchange Dealer

We require a Senior Foreign Exchange Dealer with at least 5 years' experience in all aspects of foreign exchange and euro-currency deposits.

As well as a competitive salary we offer benefits commensurate with the position.

Please reply in strictest confidence to:-
M. L. Darby,
Assistant Personnel Manager,
Kleinwort, Benson Limited,
20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

Arlington Limited is a member of Avon Products Inc., the world's largest manufacturers of cosmetics, personal care products and costume jewellery. The company's Irish plant, situated at Portllington, 35 miles from Dublin, already employs 250 people in the manufacture of high quality costume jewellery. A major extension of manufacturing capacity is currently under construction and when the new plant comes on stream it will more than double the existing workforce. The company is currently expanding and developing its financial department and now wishes to appoint a

SENIOR FINANCIAL ACCOUNTANT

Reporting directly to the Financial Controller, this position carries significant responsibility for the management of a large financial accounting function. Besides co-ordinating the activities of the accounting department the senior financial accountant will develop appropriate internal accounting and reporting procedures and accept direct responsibility for the management of specific accounting activities.

Applicants must be professionally qualified (A.C.A. or A.C.C.A.), have public accounting experience and should have worked in a manufacturing company, desirably at supervisory/managerial level. Candidates with less than 3 years post-qualification experience (preferably in industry) are unlikely to meet the requirements of this senior post, which offers significant opportunity for further advancement.

Salary negotiable. Attractive fringe benefits. Relocation expenses will be paid where applicable. Interviews will be held in the UK in mid February.

Applications, in strict confidence, giving full details of career to date should be sent to:

Raymond Cass, or A. Gallagher,
Head of Personnel, National Manpower Service,
Arlington Limited, William Street,
Co. Laois, Tullamore,
Ireland, Co. Offaly,
Ireland.

Arlington

Management Audit

The International Planned Parenthood Federation is an international non-governmental organisation incorporated in the UK by Act of Parliament, working to increase family planning knowledge and services throughout the world. Financial assistance is received from governments as well as from voluntary contributions made by private citizens and foundations in many countries. The budget for 1978 is £50 million. The headquarters of the Federation is in London. The 118 national member and non-member Associations are grouped in Regions and are represented through Regional Councils on the International Central Council. Reorganisation has resulted in the centralisation of the Management Audit function in London, offering the following opportunities:

Head of Management Audit

£9642 p.a.

Required to supervise and organise a team of internal auditors to undertake audits of Regional Offices and Associations throughout the world; this will involve examining management procedures and structures, financial transactions, accounts and reports, and reviewing the efficient use of all resources, manpower, financial and commodity. A professionally qualified individual in required with 5-10 years audit experience, some of which will have been in a supervisory capacity and with an international organisation.

Management Auditors

£7608 p.a.

Required to undertake audits with individual Associations, examining and analysing programmes and budgets, reporting on programme implementation and reviewing management systems and procedures. Professionally qualified, candidates should have at least 5 years' audit experience.

All posts require an awareness of development issues and international sensitivity and the ability to communicate effectively.

Considerable overseas travel is involved. An attractive benefits package is offered. Expatriates receive additional allowances and benefits.

Applications with a full curriculum vitae (including particulars of current remuneration) and the names of two referees should be addressed to:-
The Personnel Manager, IPPF,
10-20 Lower Regent Street, London, SW1Y 4PW.

INTERNATIONAL PLANNED PARENTHOOD FEDERATION

PUBLIC RELATIONS MANAGER

London £12,000 plus car

Our client, one of the major grocery companies in the U.K. with an enviable reputation and a dynamic growth record, has a vacancy for a Public Relations Manager.

The appointment calls for a mature, professional man or woman, probably 40/45 years of age and with a progressive record in the communications field as a journalist and with P.R. experience, preferably in the grocery/food area.

The successful candidate will be highly intelligent, politically sensitive, and with the presence and authority to command respect at a senior level with Government Departments and with executives controlling all types of opinion-forming media. Essentially he/she will be a capable administrator, well able to provide leadership and direction to a competent departmental team.

Location is in London, and relocation expenses are naturally available if appropriate. A salary of around £12,000 is envisaged, plus an executive car. The Company operates an exemplary personnel policy, and the fringe benefits are those normally associated with a major progressive Company.

If you feel you have the qualifications to fill this exacting role, please write with brief details and in complete confidence to:


ERIC JAMESON
PERSONNEL SELECTION
Personnel Selection Limited,
46 Drury Lane, Soho, West Midlands B9 3EL Telephone: 021 705 7393 or 021 704 2351.

N.M. Rothschild & Sons Limited

Corporate Finance

We are currently recruiting for our Domestic Corporate-Finance Division. We can offer you, as a member of a small professional team, further training and a widening of your experience in mergers, fund raising and other matters affecting corporate strategy and structure. You will meet at senior level executives of a wide range of companies, nationalised industries and government agencies. You should be aged 25-28, have a good degree, and in addition be a chartered accountant or have worked at least three years in the Corporate Finance Department of a bank or leading multi-national company. Remuneration will be highly competitive.

Applicants should write in the first instance to:
The Personnel Director,
N.M. Rothschild & Sons Limited,
New Court, St. Swithin's Lane,
London EC4P 4DU
giving full details of their career to date.



Financial Administration Manager

c.£12,500 + car

For the Home Counties HQ, North of London, of a major international group amongst the leaders in their field manufacturing and marketing a range of products, including complex highly engineered equipment. There is a profitable eight-figure UK turnover, and the new appointment arises as a result of expansion and recent reorganisation. The Manager will control a team responsible for a range of activities including cash control, insurance, some taxation matters and liaison/interface with financial institutions.

Candidates, probably aged around 30, must be qualified accountants with relevant "treasury" type experience preferably in a multinational organisation.

Removal expenses and usual fringe benefits.

Applications welcomed from men or women. Please reply in confidence, giving brief details to: Ref. MA 184, Robert Marshall Advertising Limited, 30, Wellington Street, London WC2E 7BD.

Robert Marshall Advertising Limited 

Merchant Banking Assistant Accountant

City c. £7500 plus benefits

Continued expansion of this Banking Group has created an opportunity for a recently qualified Chartered Accountant to assist the Chief Accountant in all aspects of financial control and the preparation of documents required for policy decision.

This is an excellent introduction to banking which offers the prospect of a future management position.

Contact John P. Steigh, ACCA on 01-405 3499 quoting reference JPS/410/FMF.

Lloyd Management

Recruitment Consultants
125 High Holborn London WC1V 6QA 01-405 3499

AN EXCITING OPPORTUNITY FOR PRIVATE CLIENT STOCKBROKERS IN LONDON

S.E. members, either individually or as a group, are invited to join a small, profitable and fully computerised firm.

- GOOD QUALITY RESEARCH DESIGNED FOR PRIVATE CLIENTS
- COMPUTER PORTFOLIO MAINTENANCE
- EFFICIENT GENERAL OFFICE
- ATTRACTIVE OFFICES

We are particularly interested in those private client brokers frustrated in the larger firm now keen on developing their clientele on a more personal basis in a friendly environment.

Please reply to Box A.8618, Financial Times, 10, Cannon Street, EC4P 4BY, in strictest confidence.

Young Chartered Accountant

City of London £8,000 + bonus

A leading firm of jobbers on the Stock Exchange requires a Chartered Accountant aged 25-35 to be directly responsible to the Finance Partner. Excellent prospects.

Responsibilities will include the preparation of financial and cost accounts, budgets and the arrangement of daily finance with the firm's clearing banks and money brokers.

Please apply in writing giving details of age, education and career to:
J. Oldfield, Pinchin, Denny & Co.,
Salisbury House,
London Wall, EC2M 5SH.

Jonathan Wren - Banking Appointments
The personnel consultancy dealing exclusively with the banking profession

SENIOR CREDIT ANALYST

£9,000 plus benefits

Our client is an expanding international bank requiring an experienced credit analyst who is not seeking an early move to a lending or business development position. The candidate should have learned his or her credit analysis with an American bank and ideally have undergone a formal training course. The remuneration package is negotiable and includes generous fringe benefits.

Please contact: DAVID GROVE

FOREIGN EXCHANGE/STERLING MONEY BROKERS

We require experienced brokers in the following fields:-
Sterling C.D.s
Sterling Interbank
Sterling Commercial
Eurocurrency/Foreign Exchange
Foreign Exchange Dollar/Guilder
(Spot, Forward, Short Oats, etc.)
All salaries are negotiable, commensurate with experience.

Please contact: BRIAN GOOCH

QUALIFIED ACCOUNTANTS

£6,000 to £9,000

We are currently handling a number of vacancies for merchant and international banks in the accounting field. Candidates should be qualified Chartered, Certified or Management accountants with commercial and/or banking experience.

Please contact: BRIAN GOOCH/OAVIO GROVE

ACCOUNTS OFFICER

c. £5,000

A North American bank and investment company is seeking a person, aged in his or her 20s, who is capable of producing balance sheets and profit/loss figures from trial balance. Salary is negotiable, and there are excellent fringe benefits and working conditions.

Please contact: NORMA GIVEN

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

Due to further expansion

Nolton Money Brokers Ltd.

require
EXPERIENCED AND TRAINEE STERLING DEALERS
for their Interbank, Local and Commercial Departments.

Telephone or write to:
A. J. Allright Esq., Nolton Money Brokers Ltd.,
74-76, Watling Street, London, ECA 01.236 4689

UNIVERSITY OF WARWICK

Professorship of Industrial Relations

Applications are invited for the post of Professor of Industrial Relations, at a salary of £12,750 or £13,250 per annum (minimum £9,443 p.a.). Further details from the Academic Registrar, University of Warwick, Coventry, CV4 7AL, to whom applications (3 copies) should be sent by 28 February, 1978. Please quote Ref. No. 24/PA/79.

Qualified Accountant

£8,000—£9,000

Factory Mutual International is a major industrial property insurer offering both insurance and a sophisticated loss prevention engineering service in more than forty countries. The head office is in London with branch offices in Brussels, Paris, Frankfurt, and Melbourne. Our growth rate is impressive with insured values doubled in the last three years to the present rate of nearly £20 billion.

A new opportunity has arisen for a young qualified Accountant within the Finance Department reporting to the Chief Accountant.

The successful candidate, male or female, will be responsible for controlling the Company's accounting for Salaries, Group Cash Transactions, Accounts Receivable and Employee Expenses. The position will provide the following challenges:

- Developing an international investment policy.
- Establishing cash flow projections both short and long term.
- Full involvement in the conversion from manual to computerised accounting.
- Acquiring a knowledge of international banking techniques and the financial legislation affecting Insurance Companies.
- The preparation of financial statements for submission to local and overseas authorities.

The post is located in Victoria and is negotiable from £8000 depending on experience.

Please send full career details in confidence to: P. R. Stanley, Chief Accountant, Factory Mutual International, Carrier House, Warwick Row, London SW1, 01-428 7799

Factory Mutual International

Managing Director

Consumer Products Distribution

The company began life distributing the assorted food products of its £50m. parent group. Now, with 200 employees, 140 vehicles and eight depots, it is an autonomous and profitable £2½m. subsidiary poised for redoubled growth.

In a complex service business of this kind profits are earned through tight operating and cost controls firmly applied. Successful results will justify further investment and herald a bright future for the new MD.

Candidates, graduates or qualified professionals around age 35, must be at or near general management level running a similar supply operation - in retail or wholesale distribution, spares and service or manufacturing components.

Salary around £12,000; car and excellent benefits. Base South Yorkshire.

Please send career details - in confidence - to D. A. Ravenscroft ref. B.25476.

This appointment is open to men and women.

MSL United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.
International Management Consultants
Management Selection Limited
474 Royal Exchange Manchester M2 7EJ

Personnel Director

for Joshua Tetley & Son Limited,

the management company of Allied Breweries (UK) Limited which is responsible for the production and distribution of beer from the Leeds brewery and for marketing the company's products in the north east of England. The company employs some 2,000 people at its Leeds headquarters and distribution depots in Yorkshire and the north east and, in addition, 2,500 in its managed houses.

The Personnel Director will be responsible to the Managing Director for all aspects of employment and industrial relations covering management, staff, industrial and retail trade unions. He or she will develop policy and control an existing department providing the full personnel function for staff and works employees.

Candidates, probably 35 to 45 and MIPM, will be established personnel managers with a clear record of achievement and proven ability to negotiate with and develop good working relationships with unions and employees.

Salary negotiable from about £10,000 with car and attractive benefits.

Please send relevant career details - in confidence - to R. M. Cooper ref. B.60387.

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France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.
International Management Consultants
Management Selection Limited
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ASSISTANT ACCOUNTANT

Chartered Accountant circa £7,000

The Anglia Hastings and Thanet Building Society serves over one million members and has assets totalling more than £1,400 million. The Head Office is located on the outskirts of Northampton, about 8 miles from the M1 and 70 miles from London.

The job will include the preparation of management information, periodic and final accounts and taxation. In addition the job holder will be expected to contribute to the development of new accounting systems in this highly computerised society.

This position offers opportunity for promotion and an attractive salary around £7,000 p.a. depending on the calibre and experience of the applicant. Terms and conditions of employment are excellent and include concessionary mortgage facilities.

Please apply in writing to:

The Personnel Manager,
Anglia Hastings and Thanet Building Society,
Moulton Park, Northampton NN3 1NL

ANGLIA HASTINGS
THANET
BUILDING SOCIETY

DO YOU WANT A CHALLENGE

We are looking for a young aggressive entrepreneurial person, knowledgeable in all aspects of business to manage a new London based company engaged in travel. A solid background in financial management is important and marketing or sales experience is desirable.

After employment the individual would be required to work for 2-3 months in the USA prior to commencement in London.

Both the parent companies involved in this venture have strong financial backgrounds based on an excellent record of success both in Europe and the USA. A gradual expansion of this innovative travel service is planned throughout other countries in Central Europe offering excellent prospects to the person selected.

Please apply in writing with full curriculum vitae to:

The Managing Director
AIRCCONTACT LIMITED
20 Pall Mall
London SW1Y 5NE

MONEY DEALER

DUBLIN

Our banking operation continues to expand and we now wish to appoint an additional dealer to our existing team.

The new dealer will play an important role in our money market activities and will also undertake certain management and administrative duties.

Ideally, candidates will be in the 25-30 age group and will have a minimum of five years' experience in a dealing environment. Foreign exchange dealing experience will be a decided asset.

The salary for this position will be fully competitive and will reflect its importance. Fringe benefits are excellent.

Applicants should write and enclose a detailed curriculum vitae to:

F. J. Healy, Personnel Officer
The Investment Bank of Ireland Limited
91 Pembroke Road,
Ballsbridge, Dublin 4

Director

Business Development

This is a board appointment for a leading British company, turnover approaching £30m., in the field of plant and labour services for the construction/civil engineering industry.

London-based, responsibility will be to the Managing Director for all corporate planning, investment and acquisition activity, and membership of key decision-making bodies will ensure a central role in company general management.

Preferably aged 35 to 45, candidates must be MBA's, desirably with a first degree or professional training in civil or structural engineering. A record of successful line management experience in a similar field - perhaps shipbuilding - is looked for, as is substantial involvement in planning and business development. The potential - and ambition - ultimately to move on to a chief executive role is indicative of the desired candidate.

Salary for negotiation around £14,000 plus Rover 3.5 and other large-company benefits including top hat pension.

Please send relevant details - in confidence - to W. A. Griffith ref. B.522.

This is open to men and women.

MSL United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.
International Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

Experienced Investment Analyst

A major UK pension fund requires an experienced investment analyst to join an existing team. The successful candidate will be responsible for representing the fund in meetings with managements as well as preparing written reviews on the fund's holdings in particular sectors.

Candidates should have a professional qualification, or a degree, and at least 2 years' relevant experience in the research department of a stockbroker's office or an institutional investment department.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1144.

This appointment is open to men and women.

MSL CONFIDENTIAL RECRUITMENT 17 STRATTON STREET LONDON W1X 6DB
A member of MSL Group International.

ELECTRONIC ENGINEER

Plug yourself into tomorrow testing a wide range of electronic and electro-magnetic equipment.

A basic salary of £4.5K is backed up by a 17% shift allowance plus pension scheme, bonus scheme, and relocation allowances.

Candidates may have ONC/HNC/C&G or proven experience.

Ring Jill Eise, 01-405 8654
Drake Senior Appointments (Consultants)
121 Kingsway, London WC2

INTERNATIONAL MANAGEMENT

TOP JOBS WORLDWIDE

You can save time and money by subscribing to McGraw-Hill's weekly airmailed newsletter, EXECUTIVE EMPLOYMENT BULLETIN scans every issue of 20 publications in Europe and the United States and abstracts senior executive employment opportunities you can apply for. You save the cost of buying all these publications and the time needed to search through them for just the job you're looking for. Confidential mail subscription to your home address costs US \$ 44 for 13 weekly mailings. Save even more on 26 weeks (US \$ 70.00) or 52 weeks (US \$ 120.00). Send a cheque with order to:

EXECUTIVE EMPLOYMENT BULLETIN
International Management
McGraw-Hill House, Maidenhead
Berkshire, SL6 2GL England

Zambia

Secretary/Chief Accountant

for a successful company set up six years ago by its West German parent to manufacture and sell clothing in Zambia. The company is expatriate managed and employs 280 people. Sales have risen to £3m. with net profits well into six figures.

Candidates must be qualified and have previous experience in manufacturing industry as Chief Accountant and Company Secretary.

Initial salary c. £15,000 p.a. including a gratuity payable at the end of the two year renewable contract. Benefits include free house, car and education allowance.

For further information and application form please telephone (01-629 1844 at any time) or write - in confidence - to P. A. Sandham ref. B.8540.

MSL United Kingdom Australia Belgium Canada
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New Zealand South Africa South America
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International Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

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RESEARCH FELLOWSHIP INFLATION ACCOUNTING
The Social Science Research Council wishes to appoint a research fellow in inflation accounting in October 1978. Applications are invited from experienced accounting researchers to review the debate on inflation accounting and/or alternative approaches to measuring the economic performance of business enterprises under inflationary conditions. The appointment will be for two years and may be made at up to professional level.
Further details are available from Mike Brennan, SSRC, 1, Temple Avenue, London EC4Y 0SD. Telephone 01-383 5262, ext. 28. Closing date for receipt of applications is 18th February, 1978.

Export Finance Merchant Banking Specialists

Our specialist Export Finance business continues to expand with growing success in the fields of ECGD Buyer Credits, the financing of Supplier Credits and our Group's Confirming House facilities. We can now also offer Eximbank and Coface financing. Our Group's ability to contribute sizeable funds to our Export Finance transactions has been one of the many reasons for our successful expansion which now leads us to seek specialist executives, men or women, in two different aspects of Export Finance:-

Buyer Credits
Candidates should have had at least 3 years' experience in dealing with sterling and foreign currency Buyer Credit, preferably in a merchant banking environment. A knowledge of the Eurocurrency and foreign exchange markets will be necessary. Preferred age range: 25 to 35.
During 1978 individual transactions concluded or in final stage of negotiations ranged from US\$2 million to US\$300 million.

Confirming House Facilities
Candidates should have had at least 3 years' experience in dealing with extended term financing. They must have a thorough knowledge of ECGD and Confirming House facilities and of the documentation required. Preferred age range: 25 to 35.
During 1978 individual transactions concluded ranged from £100,000 up to US\$50 million.

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Applications together with fully detailed curriculum vitae should be sent, in confidence, to The Chairman, Box A.6621, Financial Times, 10, Cannon Street, EC4P 4BY.

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Prominent international business information service is establishing Editorial Bureau in London Area for coverage of Western Europe, Middle East and Africa. Seeks writers/desk researchers with various levels of experience in Business Journalism and Industrial Market Research. Knowledge of economics and European languages desirable.

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12 Chemin Rieu, Geneva, Switzerland

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c. £7,000 NW London

As part of a multi-business organisation employing over 21,000 people in the UK our client is the undoubted UK market leader in car radio and associated equipment.

They now require a fully qualified Management Accountant whose overall responsibility will be to devise, install and operate management accounting systems paying particular attention to the current programme of computerisation.

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Applications are welcome from both men and women.

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Our clients are a private company marketing a range of speciality stationery for home and commercial use. Reporting to the Chairman, the successful candidate will control over 30 personnel and assume responsibility for the profitable operations of the company including buying, marketing, sales, distribution, new products,

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N.P.S. Lilley; Ref: 22088/FT.

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Sound planning, strong control, professional management and a committed workforce coupled with tremendous effort and the right products are all factors which have led this public group of companies, turnover c. £6 million into an ambitious investment and new product development programme. Manufacturing, technical, S & M, purchasing and financial control strengths are evident - the task is to provide leadership to the sales office, estimating, pricing and cost investigation functions and to stimulate home and export sales growth by the

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D.N. Clohesy, Ref: 23016/FT.

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LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.



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Chief Accountant

c. £12,000 + car

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Candidates, male or female, must be qualified accountants, minimum age 30, who have had sound industrial experience. The ability to motivate a large team, and a decisive management style are essential.

Benefits include a car, free B.U.P.A. and a non-contributory Pension Scheme.

Please apply in writing, giving your telephone number, and quoting Ref: 908, to Peter Barnett, F.I.P.M., M.L.M.C., Barnett Keel Ltd., Providence House, River Street, Windsor, Berks SL4 1QT. Tel: Windsor 56723. Telex: 849323.

Barnett Keel
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Chief Accountant

Major British Company to £12,000 p.a. + car

Our client is a major manufacturer of 'household name' consumer products. The company is successful, expanding and profit orientated.

They now have a requirement for a Chief Accountant who will report to the Financial Director, and be responsible for the financial function within the company and its subsidiaries.

Our client is seeking a qualified accountant, probably aged 28-35 and ideally a graduate. The successful candidate will have held a senior management role in a sizeable commercial organisation, supported by experience in a progressive professional practice.

A quality car will be provided together with considerable fringe benefits and relocation expenses. The appointment has exceptional career potential.

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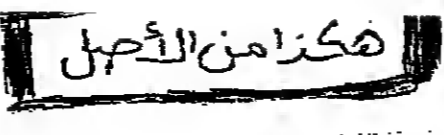
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Technical Page EDITED BY ARTHUR BENNETT AND TED SCHOETERS

PROCESSES

Hard chrome line improves product

IN ITS search for constant quality improvement, J. C. Bamford Excavators has installed and is now operating a big new chrome plating line of the Gydo Model 2 type, built by W. Canning Engineering.

RESEARCH

Efficient use of light

ALTHOUGH it is still in the experimental stage, a new approach to harnessing solar energy through semiconductor solar cells could bring down the cost of this type of system by quite a large factor.

SAFETY Protection from the vapours

INVISIBLE organic vapours in some sprayed paints are held to be for more damaging to the human lung than paint particles and many of the relevant ministries around the world have prescribed the use of hoods to protect workers.

INSTRUMENTS Detection of flaws

SAID TO be the smallest and lightest ultrasonic flaw detector available, is the PA101, from Bugh and Weedon, Widmarsh Street, Hereford HR4 9EZ (0432 67671).



QUALITY CONTROL Shows up the cracks

AN INTEGRATED inspection plant for the dye penetration location of cracks in metal parts has been designed by Ardrex and is aimed particularly at laboratory and small production applications.

HANDLING Senses the speed

A SIMPLE magnetic sensor that will reveal any slowing down of expensive conveying equipment such as belt or screw conveyors, bucket elevators, shafts or pulleys is offered by Hymatic Industrial Controls of Redditch.

ELECTRONICS Keeps the voltage constant

OF PARTICULAR interest to those who export electrical and electronic equipment and domestic appliances, to developing countries where the mains voltage constancy may leave something to be desired, an electronic stabiliser from Gould can solve the problem.

MAINTENANCE Less labour to clean floors

AN AREA of some 10 acres in a round-the-clock operation can be washed, scrubbed and dried by a cleaner which performs these tasks without a trailing cable.

COMPUTERS Philips to have big Amdahl

FIRST order from Holland for a big Amdahl machine similar to the largest one recently bought by Philips Airways, has been placed by Philips for use at its Eindhoven centre.

Operating work is minimal, says maker UFA Panda (division of Norris Industries Rusden). Irchester Road, Rusden, Northants, NN10 9XF; (Rusden 58745).

Simple pump is very efficient

TWO EXAMPLES of a four-stroke internal combustion pump are on the verge of going into action in Nepal and Egypt. They are Humphrey pumps of a type developed at Reading University and reported there to be capable of simple manufacture from ordinary materials with minimal workshop machinery and skill.

The principle of the pump is due to Herbert Humphrey, whose first full presentation of it broke office records at the Institution of Mechanical Engineers in 1909. Not every engineer who tried to produce Humphrey pumps succeeded.

METALWORKING Saving heat in a big steel mill

BRITISH Steel Corporation has gained what it describes as a world lead in the operation of computer control for the reheating furnaces which supply rolling mills with adequately heated semi-finished steel.

PACKAGING Filling a self-seal container

A LIMITING factor when Mini-grip resealable polythene bags are used for volume packaging—as for example when goods are packed for retail sale—has been the fact that for shorter runs the bags have normally had to be hand-filled, which has made the operation unavoidably labour-intensive.

Each machine can be quickly adjusted to accommodate different sizes of pack, from 65mm by 65 mm to 815 mm by 315 mm. This makes the machines particularly suitable for applications where short runs of diversified items must be packed. Packing speed can be varied from intermittent single

design enable more than one penetrant to be used. The equipment is in two parts. The first has stainless steel tanks which allow for penetrant immersion, excess penetrant removal and washing.

Impervious to water, dust, material build-up and most chemicals, the probe are ruggedly constructed and can operate between -51 deg. C and +260 deg. C. More from Orchard Street, Redditch, Worcs. B98 7DP. (0527 67841).

however—a two-cylinder 1,000 hp version attempted by Siemens Schuckert in Germany wrecked itself when it was first started up. There were successful designs but, perhaps partly because of the development difficulties, the Humphrey pump fell into disuse until it was revived at Reading University recently.

Momentum spent, the water in the U-tube reverses its direction of flow and climbs back into the first limb. The suction valve is closed, the exhaust

that at full output of 30,000 tonnes/week, energy cost savings of £500,000 a year will be achieved on the Lakenby coil plate mill. The control system, developed over a period of ten years, ensures optimum output at least cost. The system includes a delay strategy to reduce heat losses during intermill operation with no loss of output on resumption of rolling.

PACKAGING Filling a self-seal container

Supreme Plastics, Supreme House, Vale Road, Haringey, London N4 1QE. 01-802 4202.

Designed to place 25kg capacity valve-type sacks on up to four filling spouts, the machine is fed from a reel of 2,000 sacks, rather than from the conventional stacked magazine.

Hydrovane Air Compressors advertisement with image of a compressor and contact details: Telephone: Redditch 25622

HEATING On-the-spot warmth

PERSONNEL in small workshops, warehouses, agricultural buildings and maintenance areas need to be kept warm economically but not necessarily on a continuous or regular basis, says Wysepower, in introducing its propane gas-powered space heater.

Simple pump is very efficient

Particularly for use in confined areas, this heater can provide instant warmth which is said to be dry and odour-free. It weighs 35 lb and has an output of 130,000 BTU. More from the maker at Grove Road, Everton, near Gamlingay, Sandy, Beds. SG19 2HX.

N. G. Joyce, Department of Engineering, University of Reading, Whiteknights, Reading, Berkshire RG6 2AL. Telephone 0734 85123.

CONSTRUCTION Four-wheel loader

AN articulated four-wheel drive loader, the MF33C, has been launched in Britain by Massey-Ferguson. The loader is powered by a Perkins engine, and has a standard bucket size of 13 cubic yards.

PACKAGING Filling a self-seal container

Supreme Plastics, Supreme House, Vale Road, Haringey, London N4 1QE. 01-802 4202.

Design to place 25kg capacity valve-type sacks on up to four filling spouts, the machine is fed from a reel of 2,000 sacks, rather than from the conventional stacked magazine. The company at Holst House, Dudley Road, Tunbridge Wells, Kent TN1 1LE (0882 32428).

What does the future hold for The Gulf?

Will the development momentum be maintained? Are there still major contracts to be won? How much real progress has been made? What are the pitfalls—both legal and financial—for the future?

These and many other questions will be examined and discussed at 'Business in The Gulf', a Financial Times Conference to be held at Grosvenor House, London, on January 30 and 31.

Among the speakers will be H. E. Sayyid Mana Saeed Al-Otaiba, Minister of Petroleum and Mineral Resources, Abu Dhabi; Dr. Jawad Hashim, President of the Arab Monetary Fund; Dr. Ziad H. Idilby,

Senior Vice President of the First National Bank of Chicago; Lord Seldon, Director of Samuel Montagu & Co. Ltd. (Midland Bank Group); Dr. David H. Sambar, Chief Executive, Sharjah Investment Company (UK) Limited; Mr. Tarek M. A. Shawaf, President, Saudi Consulting Services.

If you, or your company, have interests in The Gulf, 'Business in The Gulf' will give you a most useful insight into the future of this important area.

For full details of the agenda, and registration procedures, complete and return the coupon below without delay.

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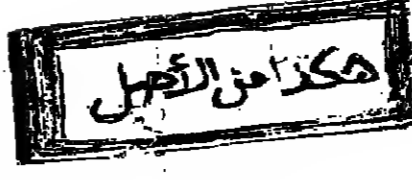
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A FINANCIAL TIMES CONFERENCE

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Europe's advertising is 'boring, trivial and uninformative'—report

LESTER DELANO and Donald L. Kanter don't exactly mince words. Mr. Delano is president of Campbell-Ewald, International, part of the Inter-public group, and Professor Kanter, a social psychologist from the Graduate School of Business Administration at the University of Southern California, is at present visiting professor at the London Business School. This week they published a report on a recent six-country survey of attitudes and responses towards advertising carried out across Europe by Campbell-Ewald, entitled *Sounding Brass: How Advertising Bored People and Wastes Money*.

They don't beat about the bush. According to them, the research "suggests that a majority of advertisements are seen as boring, predictable, trivial and uninformative. The evidence is highly suggestive that the majority of companies are wasting some or all of their advertising budgets, and in the process ignoring their customers' requirements."

At a time when advertising is under such concerted attack in all parts of the world, it may seem odd for a major advertising agency to be seen rushing into print with research findings that indicate fairly colossal failures by the advertising business on a pan-European scale. But Mr. Delano and Professor Kanter, who in their report go on to explore the reasons for the findings and propose remedies, see their work as a plea for advertising which should engage and inform the consumer as well as liberate the producer from wasteful expenditure.

The quota sample consisted of 2,200 women, married with at least one child living at home, with total net household income of a minimum of £3,000 or equivalent, drawn from Britain (500), France, Germany and Italy (400 each), and Belgium and Holland (250 each). Fieldwork was carried out between June 19 and July 21 last year. The sample women are said to represent, statistically, nearly half of all European discretionary income.

Taken with a growing number of other findings, the research indicates quite unequivocally that in the main, advertising is failing to distinguish one manufacturer from another. In spite of heavy expenditure, there is little to make one brand stand out from another. It seems almost as if manufacturers have absent-mindedly lost pride in their products. True, they attach their name (or their brand name) to what they make, yet they hide their own identity as makers behind a clutter of trivial product claims.

Unprompted, the women interviewed volunteered that advertisements tended to use similar words and phrases to make similar claims, and that advertising frequently failed to create confidence in the producer.

A new study claims that most European manufacturers in most product categories are serviced with safe, non-creative advertising whose ineffectiveness is masked by overblown media budgets. Companies are failing in their customer and corporate responsibilities, claim the authors. Report by MICHAEL THOMPSON-NOEL.

For example, only 41 per cent of respondents could agree that advertisements for package holidays and travel save them confidence in the travel companies. 60 per cent thought toothpaste advertising emphasised unimportant brand differences. 82 per cent thought advertisements for petfoods hardly ever changed, only 40 per cent thought that advertisements for frozen foods made them think again about which brand to buy. Worse, as well as failing to stimulate, advertising was failing to provide the information shoppers were seeking.

"The research, in addition to exploring general consumer attitudes, analysed 16 product categories, country by country. Within certain clear variations there is evidence of Europe-wide advertising failure."

"There is a wide range of variation in attitudes. Eighty-one per cent of the Dutch say pharmaceutical advertising hardly ever changes, compared with only 34 per cent of the French who say the same of hi-fi advertising. Personal insurance stimulates only 6 per cent of the British to discuss this advertising with friends, while a staggering 83 per cent find it difficult to tell the insurance companies apart."

Over 60 per cent of Europeans say that advertising for beer, pharmaceuticals, toothpaste and pet foods "hardly ever changes". In general, advertising is seen as undifferentiated. The sameness of advertising appears from the research to be related in the eyes of Europeans, to the sameness of brands, confirming something long suspected by many businessmen.

According to the authors: "We have for a long while intuitively recognised that often an otherwise well-run company wastes much or most of its spending on advertising. What we needed to discover was why? What was going wrong? Part of the answer may lie in the market leader's distribution strength, which can so muffle competition that advertising weakness is masked. This weakness is rarely revealed because the competitor companies with lesser brands tend to play follow-my-leader, copying the marketing practices of the dominant brand."

"Yet often when a company has struck out on its own, the results have been disappointing. Clearly being different for difference's sake is not the right route."

"We start our argument from an important proposition: people are actively seeking identity in an impersonal, banal and increasingly bureaucratized world. People use the objects they consume or own as part of a process of constructing a personal identity. This idea crudely expressed is hardly new. It would be ridiculous to suggest that buying one make of beans rather than another is a critical aspect of personality, but people nonetheless construct a whole system of purchases which not only satisfies functional needs but also provides psychic income."

"It is only a short step to realising that advertising should not hector or command; the consumer is not a parade-ground private but an individual. It is our argument that good advertising—that is, advertising which is effective from the manufacturer's point of view and welcome from that of the consumer—joins in and supports the individual's own search processes by offering qualitative differences between not just the products, but also their makers."

According to the authors, a number of recent studies suggest that people become bored and irritated with advertising and tune out. "It is certainly our view that while some companies are simply spending too much on advertising, more are spending it ineffectively. This is not to be resolved by sophisticated juggling with budgets."

"Let us look at another article of the advertising faith which in our view is undermined by the survey. This is the blind adoration of the unique selling point: that unique, if insignificantly identified, which is carefully identified and then promoted repetitively. The research reveals that consumers all look, often, and these carefully nurtured product differences trivial and unimportant."

"If our theses have seemed hypercritical of advertising, it is because we believe it is essential from time to time for those engaged in advertising, either as manufacturers or as their agents, to try to see themselves as others see them—even if that vision is an essentially unflattering one. If we fail to do this, and fall to learn whatever lessons the experience teaches, then it is at the least bigly possible that advertising will become increasingly less productive and more expensive, while facing an ever more hostile public opinion."

The survey showed, for example, that only one-third of the sample think advertisements

present a "true picture of the product." Two-thirds find themselves "sometimes misled by advertisements," and nearly 90 per cent say "advertising makes people (not necessarily themselves) buy goods they don't want." This led three-quarters to assert that governments should regulate advertising.

This hostile climate is not confined to Europe. The figures are comparable with those discussed in the 1974 survey of the American Association of Advertising Agencies.

The authors say their research offers four important lessons:

- 1. Reliance on media overkill to get results is not only unhelpful but even unnecessary, given good advertising. It diverts company funds away from other forms of product investment, such as improvements in the product through research and development, or in its manufacture through improved processes or plant.
- 2. Conventional advertising wisdom leads to pointless repetition of trivial differences, to building up the importance of "unique selling points" which are too often fundamentally unimportant and to wasteful and confusing proliferation of brands which are launched when they are not needed and killed off while they still have years of life left.
- 3. Copy testing, using the wrong criteria, leads to a reinforcement of the established marketing wisdom. Alternative approaches are rarely attempted, because corporate servants like to rely heavily on research. Yet the only research readily available to them asks the least important questions. Under these conditions corporate complacency begets self-reinforcing and creativity in marketing is stifled.
- 4. Accusations from politicians and professional critics that advertising manages simultaneously to bore and insult people, yet at the same time to make unwanted purchases, may be muddled, but the accusations undoubtedly have their roots in real life consumer experiences and expectations.

Say the authors: "Our work, supported by the research findings, suggests that most manufacturers in most product categories stand accused of failing their customers and corporate responsibilities. Further there is substantial evidence that advertising agencies, with the occasional rare bright exception, are guilty of producing non-creative safe 'me-ton' advertising, whose ineffectiveness

is masked by over-blown media budgets. It appears that consumers have good reasons for becoming bored and annoyed by advertising. In part the reasons stem from the institutionalisation of the prejudices of advertising practitioners, prejudices so embedded that only research which strongly questions the effectiveness of advertising is automatically rejected as simplistic.

"Advertising ought to stimulate curiosity, make differences between brands clear to consumers, illumine the brand's multiple characteristics and, above all, provide consumers with the qualities of information they are seeking."

"Yet if this is some kind of ideal to be aimed for, our research shows that most advertisements fail on almost every count. Across Europe there is poor brand and advertising differentiation, minimal thinking of brand loyalties, little discussion of shopping choices. Little appreciation of the company or manufacturer and advertising which is judged predictable and irrelevant."

"Advertising has a positive contribution to make to total social well-being. If it does not it will fail in its primary job of selling products."

The quota sample consisted of 2,200 women, married with at least one child living at home, the head of households being from social classes B, C1 or C2 (or equivalent), with total net household income of a minimum of £3,000 (or equivalent). The 16 product categories investigated were beer, breakfast cereals, rusks, cosmetics, department stores, furniture, hi-fi stereo, personal insurance, electric appliances, pet food, pharmaceuticals, toiletries, toothpaste, packaged holidays/travel, supermarkets, frozen foods and instant soups.

Soundings Brass, by Lester Delano and Donald L. Kanter, 75p, Campbell-Ewald International, 30 Eastbourne Terrace, London, England.

Striking a light for increased share

IMAGINE YOU had just reviewed your market situation (and discovered: a) over 15 years, more than a quarter of your market volume has simply disappeared; b) your own sales volume is declining even faster than the market's, so that you have lost close to 30 per cent in sales though your share is still around 55 per cent; c) you have regularly spent up to £250,000 a year on advertising; d) opportunities to expand volume have increased steadily over those 15 years, but have been taken by competing technologies; e) you are losing share to products that can undercut your trade prices by up to 15 per cent.

Just an everyday tale of marketing life? You may be right. In this case the company is Bryant and May, and the market in question the lights market, "lights" referring to what are described as acts of ignition rather than illumination—a la Blackpool, writes Michael Thompson-Noel.

According to Brian Miller, the situation described above was the situation confronting Bryant and May in 1975 when it launched a new management policy incorporating a revitalised sales and marketing approach. Mr. Miller, who has worked for Unilever, Birds Eye, Ponds, Imperial Foods and Ferrero, is Bryant and May's sales and marketing director.

B and M currently claims 63 per cent of the £52m UK match market. But the going has been tough. Writing in LWT's Marketing Review, Mr. Miller says that by 1975, when 89bn matches were sold, sales had dropped significantly despite substantial overall growth in the lights market. The competitor, of course, was the lighter, increasingly the disposable lighter.

Over the period 1960 to 1975, sales of lighters in unit terms had increased by 268 per cent. The match seemed doomed, and with it, Bryant and May, which as virtually the only UK producer was being buffeted by

lower-priced imported brands, many from 'Iroo Curtain countries.

"Increases in advertising expenditure had not helped. In 1975 Bryant and May spent around £250,000 on advertising (largely on posters—often prize-winning designs), but there was little other match advertising, and lighters were spending three times that amount, principally on TV."

Faced with falling sales and aggressive competition from disposable lighters, Bryant and May has struck back in the £52m UK match market with fresh management and marketing programmes.

Yet consumer research had begun to point up interesting possibilities. While lighters were thought to be smart, modern, fashionable and exciting, they were also considered costly, expensive to repair/refill/replace, and unreliable. While matches were thought ordinary, dull, unfashionable and out of date, they were also thought to be cheap, easy to replace and reliable.

Thirty-three per cent of smokers still claimed to be loyal match users. Swan Vestas, with around 27 per cent of total sales, was found to be the only truly national brand; but B and M's regional brands like Scottish Bluebell, Puck, Pilot, England's Glory and Bryman were all found in possess clear, if latent, consumer images in their own right.

"The final encouragement came when, in researching possible pack design changes, the consumer gave us a very clear indication that traditional designs were not to be meddled with—the match and its label

were symbols of reliability. In fact, we were led to revert to designs current around the turn of the century, and these immediately evoked an enthusiastic response."

After a hectic period, the way was clear for new management and marketing programmes, which were introduced carefully and in stages. Since 1976, B and M says it has

- Sharpened its approach to the trade—more salesmen, better national account coverage, more organised callage, greater volume and a variety of trade promotions;
- Developed a range of sell-in, sell-out promotions for wholesalers;
- Introduced regular on-pack consumer promotions;
- Introduced TV advertising, initially for Swan Vestas, more recently for some of the regional brands;
- Launched a new national brand, Cook's Match, aimed directly at the domestic (i.e. non-smoking) market.

In two years, B and M spent nearly £700,000 on TV on Swan alone, using Doyle Dane ads. B and M had moved in the nick of time. The lights market—acts of ignition—had fallen sharply. As it was, with matches beginning to outstrip lighters in advertising terms, sales of matches grew by nearly 4 per cent over the same period. Curiously, while more matches had been sold, so had more lighters, testimony to the aggressive progress made by disposables.

As B and M's advertising continues to restore respectability to match usage, says Mr. Miller, so the smoker is happy to be seen using them. The company used the early part of last year to experiment with advertising weights and further use of consumer promotions. Match volume was up again last year, and B and M has increased its share above the level of 77.

It's heartening to hear that even a semi-commodity like matches can be turned around with a little old-fashioned effort.

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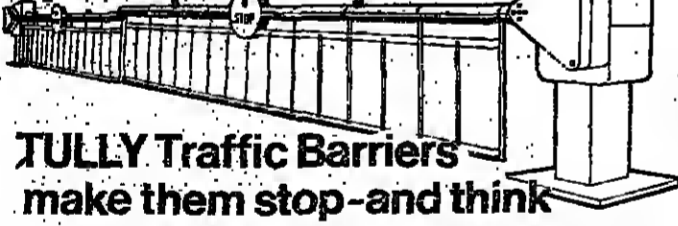
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THE ARTS

Record Review

Michelangelo's Debussy

by DOMINIC GILL

Debussy: Preludes, Book I complete. Michelangelo. DGG 2531 200 (£4.35)

These are puzzling performances. The flawless precision of Michelangelo's piano playing is a legend — and not only on record: I have a tape of a live BBC broadcast by Michelangelo of Ravel's Gaspard that is not merely without a single false or fluffed note, but without any kind of misplaced or misgauged colour or gesture from the first bar to the last. It is an astonishing performance, and also one of the most exciting and brilliantly dramatised that I have heard, recorded or live.

Gaspard is one of Michelangelo's most famous tours de force. But his comparatively small public repertoire also embraces the whole of Debussy's keyboard oeuvre, of which he is long known to be a most distinguished exponent. This new record of Volume I of the Preludes sent me straight back, after only ten minutes of the first side, to listen to Michelangelo's earlier, Debussy disc of the Prelude which I had praised so highly eight years ago, and returned to so often since. Had I been deceived, or in the interval changed my ideas entirely about the performance of Debussy? Images were a reassurance: here was still

unquestionably the tone and manner of the master, the aristocratic poise I had remembered, commanding the same delicacy, penetration and rigorous authority.

The new Preludes strike a different chord. They fascinate: yet at the same time there is something chilling to their literal, icy perfection. At their most detached, they speak with no kind of human voice; and even at their most animated, they are moved by no human heart. These recording sessions caught Michelangelo — never the steadiest or most untemperamental of great artists — on a cloudy day. The surface of "Voiles" is perfect, but flat and two-dimensional, strangely unannounced. The little forte gusts of wind in "Le vent dans les plaines" actually sound — have their words even been used before to describe Michelangelo? — heavy-handed. Every chord and voice of "Les sons et les parfums" is exquisitely balanced — but the effect is literal-minded, not *subtle* but *severe*.

The hills of Anacapri, picked out bright and détachées in silhouette, are transposed to a northern clime. From time to time during his journey through this postcardistic *place Michelangelo*, unworldly discovers a sympathetic resonance: in "Des pas sur la neige," for example, a marvellously crisp and clear winter canvas; the West Wind, driven more like the Scirocco, with a fine, dry impetus, a fierce and desiccated Searbo; the tolling of the sub-



Michelangelo

merged cathedral's bell, wonderfully sonorous; the dancing of "Ministrals," a glimmer of puppet on a wire. But nowhere a gleam of soft Debussyan light, or a liquid surge, or glint of humour. I shall leave this set of Preludes aside, and hope better for the next.

It was both a powerful contrast, and a kind of blessed relief,

freely expressive, but superbly contained, finely poised. Each waltz of the sequence (an order of his own choice) is nicely weighted, given due place and point, without any kind of inflated emphasis. And Zimerman's canvas is broad; from the quietest melancholy of op. 70 no. 2 to the glittering bravura waltz op. 19 — or of the F major waltz op. 34 no. 3, splendidly vivacious. The sound-quality of both the Zimerman and the Michelangelo discs is impeccably Deutsche-Grammophon.

Emil Gilels and his daughter Elena are only one of a number of distinguished Russian family-duos to come to the public stage in recent years (one remembers also the Roydstevenskys, Ashkenazy and Alexeyevs). Family ensembles are not always very reliably matched; but it is clear from this debut recording that Elena Gilels is more than a merely adequate partner for her father. They make a fine duo, quick and responsive, and exceptionally well-tuned one to the other. The centrepieces of their Schubert programme are a pair of contrasting works from the last year of the composer's life — the Grand Rondeau in A major, D951, a four-movement sonata condensed into a single movement; and a strong account of the well-known F minor Fantasy, D940, carefully shaped, simply and sensitively played. An *Andantino* (arr. of 1825, and a set of the Rossinis, make attractive fillers. Warmly recommended.

Arnolfini, Bristol

The Bristol Sample

Money presents at least as many problems to artists as to any other group in the community, perhaps rather more, for few are able to live entirely off their work, and for many a sale of any kind is but a dim and unlikely prospect. One result of this unhelpful state is that the distinction between the professional and the amateur has to be drawn more upon particular attitudes of mind than upon personal returns in hard cash. This is of course, a matter of deep and genuine public indifference. If he insists, we are quite prepared to accept that the artist is one who says he is one, self-elect, so long as he is no drain on public funds, and would be pleased to go away.



'Newspaper Man' by Terry Wall (1978) on show at the Arnolfini

A report is expected early next year, but in the meantime the chance has been taken to put on an interim exhibition, and to publish the methods of enquiry, and some statistics, in the catalogue. Six centres were chosen for exhaustive survey and analysis, and those visual artists living or working in them who chose not to sell is unconvincing. Bristol was one of the chosen centres, and the show now at the Arnolfini (until February 24) tells all. A list of 245 names was drawn up from a variety of sources, from which 49 were taken at random for interview. In fact 80 approached had to be made to supply this sample, for some subjects were inaccessible, others ineligible or unwilling, from which experience the Fellows deduce that 150 is nearer the true figure for the city's professionals. The sample earned, we learn, £50,000 in the relevant period, giving a rough sum for the larger group of £165,000, which seems surpris-

ingly high. It would be helpful to have it broken down less ambiguously, for it remains unclear whether or not it includes the figure given for grants and bursaries from public funds. The artists in the sample were asked to show typical examples of their work, quite free of advertisement, and 46 of them did so. There were 37 with professional training of some sort, which is no surprise at all, for the world is full of people who are quite good at Art, and we are oddly, and rightly, generous with our Art Schools. There were 14 women. Most of what we see is of a certain competence, most of it dull, none of it exceptional.

WILLIAM PACKER

Astoria Studios, New York

Movies come back East

To Hollywood residents (former New Yorkers almost one and all), their new home recently celebrated its seventy-fifth anniversary in style with the present of a brand-new hillside "Hollywood" sign in letters ten feet high at a cost of something like £30,000 a letter. To loyal New Yorkers, or at least the most optimistic of them, this might have been the last hurrah before New York heats the west coast at its own game — movies.

New York is picking up where it left off 40 years ago by reviving one of the original film studios built by Paramount to attract Broadway stars to the fledgling field of film. Only 20 minutes from Broadway, the Astoria studio looks like a huge warehouse, with the one embellishment of a driveway entrance, an almost ironic touch of elegance for the huge and otherwise stolid grey mass of building.

In its heyday, the studio was second home to stars like Gloria Swanson, Claudette Colbert, and the Marx Brothers, who cavorted round the pillars at the entrance in *The Cocoanuts*. Among landmarks was the first full-sound feature-length film, *The Letter*, starring Jeanne Eagels, made in 1928.

A child star who played Astoria in 1935 as one of the *Good End* kids has come back to be one of the angels of the new studio. Sidney Lumet, director of *The Wiz*, insisted on filming everything in New York and got Universal Pictures to chip in \$175,000 for studio renovations, in addition to renting the space. *The Wiz*'s six-month use of the studio is still evident around the buildings, with the inflatable taxis in one small room, usually used for television filming, and the ghetto-walk-out curled in a corner of another. A film museum is planned for some of the unused space on the 13-building, 37-acre site, and *The Wiz* will no doubt be featured prominently in it.

Revising the studio has been a collaborative effort among a group of people who realise that since New York is a city where so much location shooting is done, it should not lose the studio business that goes with it. Understandably, the two men behind the studio are union men who want to encourage more film business in New



Outdoor set for the 1979 film *The Battle of Paris* shot at Astoria

York. Larry Barr and Sam Robert have established the studio as a non-profit organisation in which they only want to cover their overheads and give people a chance to work. This philosophy makes the place reasonably cheap; whatever money is earned above running costs will be used to establish the museum and eventually a film school, to help replenish the ranks of the union, and film-makers in the east.

While there are more than 200 rooms in the studio, they are crowded around the edges of the main sound stage, an expanse of 26,000 square feet that ranks among the largest studios in the country. Some of the smaller rooms are being rented to industry-related businesses, like the private prop shop that recently moved in and a video company that works on television projects. Many a commercial is filmed on the premises and just behind the

major sound stage sits the site of a neutral station, which is permanently rented in a firm that makes commercials there monthly. Recently designated a state and local landmark, the studio was about to be demolished a few years ago; then the city's fiscal crisis prevented a local community college from tearing down the premises for a new campus. It has lain dormant since the army stopped using the space for its training aims, an activity that goes back to pre-war days and is still marked on the walls with the circular eagle, symbol of the U.S. War Department.

Having completed *The Wiz*, Sidney Lumet booked the studio again for his next film, but he has to wait until Bob Fosse, the Broadway choreographer and director, finishes his autobiographical film, *All that Jazz*, which is now booked in the studio. Messrs. Barr and Robert confidently talk of doing more

projects, while they juggle figures and calculate how to continue with improvements and keeping costs down. They have enlisted a lot of support, which was evident at a dinner honouring Gloria Swanson and benefiting the studio. New York's governor and mayor are vocal enthusiasts, flogging here an undertaking that encourages civic pride and generates jobs and income. The unions have much to gain from the studio and its promise of work; in turn, they have expressed a willingness to help the film school when it gets going. And for the public at large this bit of east coast chauvinism has the greatest potential advantage. It may be hard to believe, but there is still a quiet contingent of actors, playwrights and directors who prefer the risky life of the theatre to the flamboyant whirl of films. In the past, people like Paul Newman and Joanne Woodward have gone out to the coast for

work and then returned home to Connecticut to live. Some of those who can afford to stay away from Hollywood have done so, and while some of their preference is personal, it also reflects a resistance to the heady atmosphere that everyone associates — and some get caught up in — with Hollywood. The "studio system" disappeared with the first generation of movie moguls, but the studios themselves still exert considerable influence. Just being away from them provides the attitude that creative people need. And the original reason for having a studio in Astoria, its proximity to Broadway, holds the promise that our best theatrical people can again participate in fully creative lives consistently divided between film and plays. Even if Astoria does not firm the lights on the Hollywood sign, it does brighten those on Broadway.

FRANK LIPSIG

Festival Hall/Radio 3 Barenboim

As an orchestral prelude to his solo recital on the South Bank tomorrow, Daniel Barenboim played two piano concertos with the London Philharmonic Orchestra under Haitink on Tuesday. Both performances indeed had an air about them of the preparatory — each one a flexing of the muscles, rather than a definitive, rounded statement.

There was little subtlety or polish to Barenboim's and Haitink's account of the Bartok first concerto: much of the fearfully difficult rhythmic ensemble was inexact; the brilliant rhythmic flourish of the very last three bars of the work was a blur. The weight of the performance was in its fire and massive energy; for all its loose ends, an explosive first movement; an andante dry, cool and lucid; a sparkling finale, lit as it can be with all

lunner of wild and frenzied lights, powerfully driven. There was a rhythmic uncertainty again in Beethoven's Emperor concerto — not so much a positive fault of ensemble as a curious sense of disorientation; on one or two occasions, notably in the opening movement, conductor and soloist seemed to be playing together on different rhythmic tracks, as if what we heard were a clever stereo mix of two different part-performances taking place in two different rooms. The best things in it were the simplest: the incisive, pungent gesture of the first allezro, or the simple-spun line of the adagio, entirely without affectation, rapid and clear. The finale had its share of busy splashes, but emerged eventually triumphant.

DOMINIC GILL

Cautious year at the RSC

A slightly quieter year for the Royal Shakespeare Company is planned after the hectic progress of the recent past, a caution partly caused by the comparative failure of two of its 1978 new works at the Aldwych, David Mercer's *Comus* and *The Women* by Steve Gooch, and the inability of the new improvised play by Mike Leigh to get off the ground. This year the new non-Shakespeare productions were both written a few decades ago.

They are *The White Guard* by Mikhail Bulgakov, a modern Russian classic about the fortunes of a Czarist family after the Bolshevik Revolution, and *Once in a Lifetime*, a Broadway comedy success of 1931 by Moss Hart and George S. Kaufman. One innovation is the appearance of commercial sponsors. A new *Merry Wives of Windsor*,

which opens the season at the Royal Shakespeare Theatre, Stratford upon Avon on March 29, is financed by the Midland Bank to the tune of the £20,000 plus production costs. It is followed by *Cymbeline*, and then comes *Twelfth Night* and *Othello* with Donald Staden, which is sponsored by Barclays Bank. The other new Shakespeare for Stratford this year is *Julius Caesar*.

There is also industrial help for a production at The Other Place, the SC's smaller Stratford theatre. IBM is supporting *Pericles* which opens on March 28 for its first RSC airing in a decade. By November the company hopes to start work in a third auditorium in Stratford, an as yet unnamed 350-seater which is a conversion of the rehearsal rooms. Its thrust stage, with the audience on three sides, makes it a very similar theatre to those in

existence in Shakespeare's time. At the Aldwych in London there will be the usual transfers from Stratford including *Love Labour's Lost*, *The Taming of the Shrew*, and, in early July, the *Batony* and *Cleopatra* with Alan Howard and Glenda Jackson. In early 1980 Aldwych comes into its own with an important undertaking by John Barton on the lines of his 1964 success with *The Wars of the Roses*. It is a cycle of ten plays telling the story of the House of Abamemmon and the Trojan War depicted from the originals by Euripides, Aeschylus and Sophocles.

The RSC will also pay its third annual visit to Newcastle; there will be a second tour of small theatres in the late summer; and a European tour for *Coriolanus* is lined up for the spring, with Alan Howard continuing in the title role.

ANTONY THORNCROFT

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Konica World's first self focusing camera. Includes details about the camera's features, pricing, and contact information for the British Airways World Arts & Adventure Club.

The gloomy prospect before British fishermen

BY RICHARD MOONEY

Pretoria bids for capital

THE EXCHANGE control reforms announced in South Africa yesterday by the Finance Minister, Mr. Owen Horwood, are intended to enhance the attractiveness of the South African economy to foreign investors...

The chances of that happening are likely to depend at least as much, if not more, on political and social developments inside South Africa.

For some considerable time there has been a growing consensus among the most influential policy advisers in government and in business, that the major danger for South Africa in the medium term is that of black unemployment.

Down to the left-overs

THE GOVERNMENT'S policy cupboard now appears to be bare: so on the eve of a debate censuring its entire conduct of the economy, it has served up a left-over.

The Bill is short, and its reasoning—if it contains any beyond an albeit attempt to win trade union goodwill—can be dismissed equally shortly.

However, the argument was never more than a debating trick, and Mr. Hattersley has since cut the ground from under his own feet by freeing the road hauliers of all restraint.

THE 1970s has not been a happy decade for the UK fishing industry. Loss of access to the Icelandic cod fishery, declining stocks of prime fish, soaring fuel prices, the world-wide switch to 200-mile national limits and entry into the Common Market have all combined to make life extremely difficult for Britain's leading fishing companies.

While the large companies have been struggling to survive many smaller operators, generally skipper-owners, have been enjoying something of a bonanza.

In some cases the small men have positively benefited from the large operators' problems. To replace the cod and haddock they usually catch these companies have switched some of their attention to inshore fish and have been forced to develop new markets, both at home and abroad.

Even without including meeker, British catches in near and middle water grounds increased by 20,000 tonnes, or 80 per cent, in the first eight months of last year, according to figures released last month by the White Fish Authority.

But this encouraging performance should not be allowed to obscure the gravity of the problems facing the UK fishing industry as a whole.

As Britain's biggest fishing company, British United Fisheries (Associated Fisheries subsidiary) has felt these problems more severely than most.

But's profits have reflected this sad state of affairs. In 1973/74 the company made £3m after tax but in the first quarter (October/December) of the 1977/78 financial year a loss of £1m was reported.

By the end of March the loss had climbed to £1.87m. No further figures have been published but Mr. Paul Tapscott, the AF chairman, says heavy losses continued throughout the second half of the year.

As a whole the UK deep sea fleet has declined from nearly 500 vessels four years ago to 219 at the latest count. And many of the survivors are seriously under-employed.

The situation in the North-East Arctic typifies the problems faced by Britain's deep sea trawler operators. On the one hand the cod and haddock fishing has been bad—very bad. But on the other the companies have been anxious to maintain their presence in these waters to establish historic rights which may be taken into account if and when it becomes possible for the EEC to negotiate a reciprocal deal with the Norwegians, who have jurisdiction over these waters.

In the absence of agreement on the EEC's common fisheries policy it has been impossible so far to negotiate such a deal with Norway and EEC fishermen have had to rely on the goodwill of the Norwegians for continued access to these waters.

This has posed serious management problems for UK fishing companies. Effective planning of fishing operations has been impossible and though the fishing has often not been good enough to justify their trips the trawlers have been forced to sail anyway in the hope of safeguarding their future right of access.

This has led to "horrible" losses, says Mr. Tapscott. It costs £3,000 a day to keep a freezer trawler at sea and most of these vessels have been losing around £1,000 a day.



Lying idle at the quayside in Hull.

five years ago of 140,000 tonnes. But the fishermen have horns blown surprisingly well.

Many of the bigger boats have switched to mackerel in the North West coast and off Cornwall. In addition some have had great success fishing for pilchard off Cornwall and sprats in the North-East coast of England.

Even following the recent cuts in mackerel quotas in the south-west the Scottish fishermen seem quite happy. "They catch their weekly mackerel quota within two days, then switch to sprats and pilchard," Dr. W. Lyon-Dean, chairman of the Herring Industry Board said.

The processors, who depend on the herring catch have not been able to find alternative opportunities for their labour quite as easily as the trawlermen. As merchants chased ever-declining supplies of fish herring prices rose 450 per cent in the three years which ended with the closure of the North Sea fishery early last year.

The processors have hung on, sustained in part by hopes of Brussels Berlaymont begin to throw stones, the least they can expect is the occasional shattered pane of their own.

When those who live in such large glass houses as the Brussels Berlaymont begin to throw stones, the least they can expect is the occasional shattered pane of their own.

Herased officials of the Transport and General Workers' Union may not have had time squaring back and forth through the portals of Transport House, to notice the poster in the lobby advertising forthcoming plays at the National Theatre.

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The decline of the fleet and increasing pressure on the remaining owners in meeting the costs of running the port. An expensive modernisation scheme, partly Government funded, is still being paid for.

The owners have since agreed to keep the Association going at least until the end of this month. In response to strong Government pressure, and discussions are now taking place with other interested parties, such as the fish merchants and unions, with a view to forming a new company to take over dockside services at the port.

Most admit that the UK fleet, especially in the distant water sector, is far from ideal in the changed world of fisheries. A switch to smaller more economical boats, suited to working within easy reach of Britain's shores, is inevitable.

It is vital that a common EEC fisheries policy providing adequate fishing opportunities for British trawlers and ensuring effective conservation of stocks should be agreed before too long.

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MEN AND MATTERS

Richardson

Gordon Richardson, the normally unflappable Governor of the Bank of England, suffered a visibly uneasy moment the other night.

Of course, it would never have happened had he stayed in the real world of banking, finance and sterling, and not ventured into the never-never land of the Great Pound.

As it was, he bravely tried to persuade the massed yeomanry of Britain that changes in the workings of the Common Agricultural Policy, demanded so often and so vociferously by NFU leaders, would push up food prices and cost UK consumers dear.

Special legislation had to be passed by the New York State assembly to allow the Exchange to go ahead. Since it will bring more jobs and business to poverty-stricken New York, Governor Hugh Carey plumped an elaborate public ceremony to sign it into law.

Overdraft drama

Bank managers the land over are starting to stay at home on Sunday nights to see if they match up to the TV image of their profession.

Adviser to the series is Michael Fuller, group public affairs adviser to the Midland Bank—and a former branch manager himself.

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Communitarian blame

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Wrong Policy

New York's Insurance Exchange, which is being set up to challenge Lloyds of London, had less auspicious beginnings than the Americans would have us think.

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Commuter's caprice

Here is a fair sample of the new brand of platform humour: "Knock, knock!" "Who's there?" "Aisle!" "Aisle who?" "I's left my train at the depot."

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وہکدامن التھیل

Observer

ECONOMIC VIEWPOINT

Unions: a case for a grand inquiry

THE PRESENT winter of discontent has two sources. The first, which is being shouted from the housetops, is in brief "an imbalance of power on the side of the unions." As most of the present article will be concerned with this imbalance it is important to emphasise at the start the second and equally important source. It is the collapse of 3 1/2 years of attempted pay controls.

Prior, could say in winding up was that he did not wish to become involved in arguments with Mr. Powell because he "might come out of it the worse."

Long-term

Where I do part company with Mr. Powell (who is too often regarded as both logically invincible and always wrong) is in believing in the words of one recent American investigation that wage determination is not the fundamental cause of inflation, but contributes to the difficulty in checking an inflation already established for other reasons.

above the exchange of bar-room dogmatism, it needs to be tied to some analytical framework. What the reformers never make clear is whether the whole present wage determination system can work perfectly well if it was shorn of abuses; whether the economic power of unions needs to be deliberately weakened; or whether the whole system of collective bargaining based on the strike threat is untenable and needs to be replaced by something else.

The important and I hope uncontroversial role of the unions is as a voice for workers, especially in large organisations. The ultimate protection against harsh or arbitrary treatment is to vote with one's feet and leave for a job elsewhere. But unions can reinforce this protection, especially for older workers, the shy and the disadvantaged.



Professor Friedman (left): unions not mainly to blame for unemployment and inflation. Peter Jay (right): a much more pessimistic diagnosis.

other workers or their families. "Employers" are simply a link in this transmission belt, as should be obvious from the argument about road haulage, end freight rates.

is much more that of a world of union monopolies. Inside each industry unions pay more attention to securing high wages for those already employed and neglect those priced out of work or not even recruited. These displaced workers cannot go elsewhere, because nearly all other sectors eventually become heavily unionised, if only in self-defence. The result must be politically intolerable unemployment—with an attempt by governments to spend their way out leading only to hyperinflation.

Stability on the Jay model can be achieved by curbing the collective as distinct from the individual right to withdraw labour—a route which Mr. Jay does not consider feasible. This leaves him with his other and well-known alternative of abolishing the employer-employee wage relationship altogether by transforming most major enterprises into workers' co-ops.

No apologies are required for being unsure which of these two pictures is nearer the truth. This is still an unsolved problem of political economy. But it does lead me to propose a Royal Commission on the economic effects of union power. Normally the proposal of a committee of any kind is a last refuge. But here there is a genuine need for more knowledge.

or solve the world's stagflation problem. But what such a Commission might do is to establish which union activities contributed to raising the long-run unemployment rate (itself a shorthand for many different problems of stability). Previous inquiries such as the Donovan Report have concentrated on industrial relations aspects and not on the wider economic impact.

Indeed, the report of the Commission would, I hope, be headlined Small is Beautiful. Thus the emphasis would be in an entirely opposite direction from present fashions. One hears so many harassed ministers and officials complaining: "There is no one to talk to. Union leaders cannot instruct shop stewards; and the latter cannot instruct their men. Long may this remain so."

Brutal aspect

This power to exclude is seen at its most brutal short term aspect in the Grimby Scab in Tom Stoppard's play, *Night and Day*, who was fired for not going on strike. But even such monstrosity can be overcome if there is sufficient decentralisation to allow new technologies, new industries, and reasonably small scale collective bargaining.

Samuel Brittan

Letters to the Editor

Exporting to China

From Mr. M. Possener. Sir,—In this season of UK strikes, it is encouraging to know that the UK banks and the Export Credits Guarantee Department have achieved the first credit deal of its kind with China. Lorne Barling's article in the survey of corporate finance (January 15) rightly congratulates the organisations concerned. Nevertheless one should not overlook the risks which a UK exporter runs in trying to develop trade with China. For example, he will receive payment under these newly concluded deposit facilities only when the Bank of China sends a letter to the UK bank instructing it to make the specific payment. This is a major difference from the normal line of credit arrangement.

been demonstrated to be inadequate. Failure to introduce measures which will protect the profit margins of individual industries will make it difficult for the Treasury to balance its books at the end of the current financial year. In October, it was possible to forecast that any Government which allowed the Central Government Borrowing Requirement to exceed £3bn would lose the next Election.

environmental pressure groups. The siting of the station near the Hokkaido tunnel mouth and the routing of the new line to Sapporo have still to be decided, since there are conflicting claims by local authorities interested in the employment potential created by the new rail link.

then the implication is that the "regions" are condemned to become "low pay sinks" exacerbating current imbalances in occupational structures and income between regions. There are many reasons apart from civic pride and self-respect why this is not a good thing and it may be that the "British reluctance to serve" is in response to some intuitive economic rationale.

Handling glass fibre. From Mr. G. Hallett. Sir,—I have recently had to lay glass-fibre in a loft and have once more experienced what a nasty, inconvenient and, I suspect, dangerous substance it is. Handling it loose seems a British peculiarity. In the U.S. it is sold enclosed in paper, with aluminium foil on one side, for added insulation. This makes it clean and convenient to handle and much easier to use on walls or roofs. I am surprised that British glass fibre manufacturers sell their product in such an inefficient and anti-social way.

Champagne still attractive. From Colonel Maurice Buckmaster. Sir,—Edmond Penning-Roswell is such a renowned and expert mine of information about wines in general, and champagne in particular, that I hesitate to disagree with him, even in the mildest way. His article of January 16 is excellent and a pleasure to read.

Today's Events. Opposition motion on the economic and industrial situation. Motion on EEC documents on the steel industry. House of Lords: Marriage (Enabling) Bill, second reading. Debates on industrial situation and London airports.

COMPANY RESULTS. Final dividends: Bank Leumi (UK), Y. J. Lovell (Holdings), Watson and Philip, Interim dividends: Cowan de Groot, Fitch Lovell, Incheape and Company, McArthur Pharmaceuticals, Interim figures: Bume Holdings. COMPANY MEETINGS. See Company News on page 27.

A Japanese tunnel

From Mr. R. Bonwit. Sir,—Recently I had an opportunity to visit the Hokkaido tunnel site of the Tsugaru Straits (Sei-Kan) undersea rail tunnel bore, of which only 2 miles under the seabed remain to be completed. The overall length of the tunnel will be about 50 km—roughly the length of the projected Channel Tunnel.

Industrial adjustment. From the Chief Economic Adviser Foreign and Commonwealth Office. Sir,—Your brief notice on the Whitehall working group report on "The newly industrialising countries and the adjustment problem" (January 18) unfortunately has the negatives the wrong way round. We concluded that it is unlikely that the increase of UK imports of manufactures over the period 1970-1977 from 23 newly-industrialising countries displaced more than 2 per cent of the 1970 UK manufacturing labour force.

Geographical selectivity. From Dr. J. Whitelegg. Sir,—Anthony Moreton's article (January 18) expressed succinctly what many are thinking about regional aid. Greater geographical selectivity however is not likely to be the savior of what is indeed an ailing system.

Regional aid. From Mr. G. Mackay. Sir,—Anthony Moreton's article on regional aid (January 18) is an excellent summary of the present position. There is one point, however, with which I would like to disagree. He mentions, with approval, the fact that last year the Aberdeen area was downgraded to intermediate area status.

Management by crisis. From Mr. F. Pike. Sir,—I share the optimistic views expressed in your editorial on January 20. Mrs. Thatcher has demonstrated her command of politics and her understanding of the questions at issue.

Advertisement for Aerolines Argentinas. DON'T WASTE YOUR TIME IN SOUTH AMERICA. It's a reasonable assumption that any businessman planning a trip to South America would rather spend his time doing business than sitting about in airports. But if your itinerary involves travel to a few major South American cities that is exactly what you could end up doing. Fly Aerolines Argentinas, after all we know the interior of South America better than anyone else. We fly 747's and 707's direct to Rio and Buenos Aires with connecting flights to 46 other South American cities. We have up-to-the-minute information on flights, times and connections. And you can book everything here in England. So, next time you're flying to South America, fly Aerolines ARGENTINAS.

Tate & Lyle cuts final as profits fall £19m

REPORTING PROFITS down by over £18m in the year ended September 30, 1978 Tate & Lyle is cutting its final dividend from 4p to 3.1p net.

Also the chairman reports that the cost of securing the market share aimed for in respect of refined syrups and sugars in the U.S. has proved greater than initial estimates.

A proposed cutback in spending has trimmed between £15m and £20m of capital expenditure plans for the next two years on non-essential items.

Status Discount surges £2.1m to best-ever £3.8m

WITH SECOND half profits almost doubled at £2.17m against £1.12m, Status Discount, retail store operator, surged from £1.71m to a record £3.79m pre-tax for the year ended November 30, 1978.

higher at 41.49p (20.22p), while a second interim dividend of 2.46p net lifts the total payment from 4.05p to 4.47p, equivalent to 6.83p gross.

more than double profits each year since the recovery from losses in 1974. Sales this time are 73 per cent better and remarkably this was virtually all volume.



Mr. Michael Webster, chairman of Fitch Lovell, photographed in Smithfield Market at the company's Keevil and Keevil subsidiary, which is responsible for handling wholesale poultry and provisions.

SEET advances to £0.62m at half-time

AS FORECAST pre-tax profits of Southfield, English and European Textiles, the woven fabrics group, rose in the first half, and latest management accounts continue to show satisfactory trading.

in this period consumer spending recorded a marked improvement, but apparently more competitive imports creased off most of the extra business.

Rank recovers most of lost ground in second half

A SECOND-HALF upturn enabled Rank Organisation, the industrial and leisure group, to hold taxable profit for the year to October 31, 1978, at £123.03m, compared with a restated £122.51m.

Table of Dividends Announced with columns for Company Name, Current Payment, Date, and Total.

Though it is difficult to judge how the group will be affected by the current industrial unrest in the UK it has the strength to respond to any difficulties with which it is likely to be faced.

The Rank Organisation and its owned associates with Xerox, because of the change in accounting for capital leases, increased the profit by £345,000.

INTERIM STATEMENT A. & J. Gelfer Ltd. Unaudited results for six months to 30th September 1978. Table with columns for 6 months to 30th Sept. 1978 and 6 months to 30th Sept. 1977.

Marston Thompson PRE-TAX PROFITS of Marston, Thompson and Evershed, brewer and wine and spirit merchant, rose from £2.18m to £2.33m in the half year to September 30, 1978.

Downiebrae expands to £0.43m PRE-TAX PROFITS of Downiebrae Holdings were up from £308,777 to £400,245 in the year to December 31, 1978.

Rising MLR reduces Union Discount profit to £1.8m REFLECTING THE high level of MLR profits of the Union Discount Company of London fell sharply from £5.1m to £1.8m in 1978.

U.S. \$20,000,000 FIXED AND FLOATING RATE LOAN FACILITY CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION BANCO CENTROAMERICANO DE INTEGRACION ECONOMICA

Thos. French optimistic at halfway stage PRE-TAX PROFITS of Thomas French and Sons, manufacturer of curtain string products and electric surface heating products, were £1.22m for the year ended September 30, 1978.

72 companies wound-up Orders for the compulsory winding up of 72 companies have been made by Mr. Justice Vinelott in the High Court. They were: M.L.L. Builders, Executive Leasing, Mind Movers, Ballard and Barrow Freight Services, Caygills (Builders and Slaters), Comet General Cleaning Company (Berkmannstead), Henderson, Len Marsh Plastering Company, Aris Products (Clothing), Chingreen, Chingreen Investments, M.E.L. Insurance Broking and Finance, G. Thomas Engineering Services, Lunfield Builders and Contractors, Moor Restaurants (Newcastle), Elkins Productions, Caxfawn, Duramis Fuels, E. J. Hamilton Transport (Southampton), Fair Oak Motors, F. and M. Carrels (Stafford), Trancon, Smith Cuisine, Riviera Freights, Queensbridge Ashhall, N. B. Bharvans and Company (London), The New Magchester Building Company, Parnham Preservation, Esstee, Seniates, and Charlton Developments (Cheltenham), Fox Felting, Price-Rite (Jewellers), Barnett Christie, Mid Cheshire Joinery Company, Overglade, Phyllis Land Investments, Richard Kingsley Automobiles, Lea Painting Contractors, Conicets, A. and G. (Jewels), Daxal Freight Services, Sandcap Rentals, Anderstafte Engineering, Hawthorns Transport (Coveyort), Primary Metals, Verbl, Cullen and Company, Modern Plus, Insulation (Pennine), Tweed Yard, Gash-worth, Lemmings of Actionvalley, Omnia Pastimes, Visteep, Zc, Pertrade, Mandale Builders, Thermopanel Heating, Pretty Girl, Hantscon Building Services, Glinver Grange, Leslie Thurston (Builders), Christianette International, Exchange Facilities, Yeoman Garage (Beardst), Ital-Sped, Barr Express, Barwickton, Orange Building Services, David Clark Cars, Bateman Alward Groundwork, W. S. Lowdell (Furniture), Plastic Wall and Roof Coatings, and New Burlington Estates.

EMI funding U.S. short-term debt EMI has raised a \$50m 15-year refinancing loan at 9 1/2 per cent by means of a private placement with institutional lenders in the U.S.

Ashdown Inv. pays more Profit of Ashdown Investment Trust improved from £414,739 to £471,218 for the year to November 30, 1978.

J. Austin up to £0.55m PRE-TAX profits of James Austin Steel Holdings jumped from £406,028 to £545,000 in the year to September 30, 1978.

Senior Secretaries A boss-secretary team, as in every successful partnership, needs to be carefully matched by experts.

Advertisement for Senior Secretaries featuring an illustration of a woman and a man, with text: 'My secretary told me to play golf so she could get the real work done'.

UK COMPANY NEWS

MINING NEWS

Aboriginal land power may be checked

BY KENNETH MARSTON, MINING EDITOR

THE Australian Government is considering watering down its controversial Aboriginal Land Rights Bill...

The Minister for Aboriginal Affairs, Senator Chaney, admitted that a review of the legislation had been ordered by the Cabinet...

A broad advance in share prices of South African mining issues yesterday anticipated news of the Republic's latest financial measures...

The subsequent news that the Rand is to be allowed to float and that a new dual exchange rate system is to be introduced...

The Government at present has the power to override Aboriginal objections if it decides a project is in the national interest...

after protracted negotiations, and the Aborigines are resolutely opposed to development of the larger Pancontinental deposit...

The Departments of Trade and Resources and National Development are expected to push for new provisions in the Act...

Mr. Anthony is concerned by complaints from Magellan Petroleum that its small Mereneic oil field near Alice Springs...

This would involve upgrading of the road from Alice Springs to Mereneic to handle road tankers, and the construction of temporary storage facilities...

IN A MOVE aimed at putting its subsidiary on a firmer financial footing, America's Atlantic Richfield (Arco) is to contribute about \$565m (£282m) to Anaconda Copper...

OIL AND GAS NEWS

Petro-Canada offers to buy remaining Panarctic shares

PETRO-CANADA, Canada's national oil company, which already effectively controls the Arctic Oils, the Arctic Islands oil and gas exploration consortium...

and at King Christian. Some possibly commercial oil has been found on Cameron Island. The largest single holder in Panarctic, PanCanadian Oils, oil and gas subsidiary of Canadian Pacific Group...

by the maintenance of the current platinum price in real terms for the remainder of the year.

Rustenburg's selling price for platinum remains at \$300 per ounce, having been raised from \$280 to this level in November.

Another diamond prospecting deal in Western Australia has been put together by the Carr Boyd Minerals group.

Of the 167 claims, 126 are held by the CBM diamond exploration consortium, 35 are equally owned by CBM and Jones Mining...

When added to the \$700m Arco paid for Anaconda originally, the new capital infusion brings the total cost to nearly \$1.3bn.

OIL AND GAS NEWS

Centreway & Whitehouse call off merger

The mooted merger of Centreway and George Whitehouse (Engineering) has been called off for "technical reasons".

BIDS AND DEALS

Camrex surprises Dufay with 50p approach

BY ANDREW TAYLOR

Camrex Holdings yesterday came out with a surprise bid approach for Dufay Brumastone...

Camrex has paid £1.65m to acquire a 28.75 per cent stake in Dufay and intends to make a full offer of 50p cash a share...

Yesterday's bid approach came as a complete surprise. Dufay directors had thought the matter had ended and had put this view to the takeover panel...

Brown and Sharpe Manufacturing Company of the U.S., the hydraulics manufacturer, has made a £10m agreed bid for Chamberlain Group...

Chamberlain's last balance sheet showed net assets of £6.6p a share. Pre-tax profits for the year 1977 were £2m, compared with £1.96m, on turnover of £21.6m.

OIL AND GAS NEWS

Hickson & Welch picking up

Trading figures to date at Hickson and Welch (findings) indicate a higher profit for the first six months of 1978-79 than in the same period last year...

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Social results are usually held for the purpose of considering dividends...

Table with columns for Company Name, Date, and Meeting Type. Includes: Crompton, GEC, Anglo-Continental, etc.

for a Stock Exchange investigation into recent share dealings. The company is concerned about an apparent leak to the press which resulted in newspaper articles suggesting that a takeover bid for Dufay was likely.

On the back of takeover speculation the group's shares rose 3p last week to 45p, but fell after the group's statement on Monday.

Meanwhile the Stock Exchange has confirmed that it will take a preliminary look at recent dealings in Dufay shares to see if a full investigation is required.

The board of Dufay says that it has noted the announcement by Camrex and is considering the position with its financial advisers S. G. Warburg. A further announcement will be made as soon as practicable.

U.S. hydraulic group's £10m agreed bid for Chamberlain

BY JOHN MOORE

Brown and Sharpe Manufacturing Company of the U.S., the hydraulics manufacturer, has made a £10m agreed bid for Chamberlain Group, the UK-based hydraulic and structural engineering group.

Chamberlain directors and various family trusts have accepted the offer in respect of their 31.8 per cent holding (4.92m shares). Brown and Sharpe already holds a 20.65 per cent stake so the offer is a shut-out.

OIL AND GAS NEWS

D. F. Bevan ahead

ANNOUNCING AN increase in pre-tax profits from £70,000 to £161,000 for the six months to September 30, 1978, the board of D. F. Bevan (Holdings), metal merchant, states that the second half should be materially better than the first six months.

Averys hits at GEC's bid silence

Mr. Hales said that the City Take-Over Panel had ruled that there was no obligation on GEC to make a further statement, but he said he hoped GEC would accept Averys' view and not proceed with an offer.

Two weeks ago Averys firmly rejected GEC's overtures saying that a merger would not benefit the industry or the group's employees, suppliers or customers.

OIL AND GAS NEWS

Wimpey sells slice of Wingate

Just two and a half years after George Wimpey took over Wingate Developments, the construction group has agreed to sell a 23m slice of Wingate to a private company owned by Wingate directors.

GENERAL MINING-GROUP THE GRIQUALAND EXPLORATION AND FINANCE COMPANY LIMITED

Financial statement table for Griqualand Exploration and Finance Company Limited, showing quarterly and financial year results for 1978.

Notes: 1. Consolidated results are given, as information relating to the company only could be misleading. 2. Financial results are based on actual fibre shipments...

Citicorp Overseas Finance Corporation N.V. advertisement for \$15,000,000 of 11% Guaranteed Notes Due 1984, including details of underwriters and terms.

Banca March advertisement for the opening of a Representative Office at 33 Eastcheap, London EC3M 1DT, with contact details for London and Head Office in Palma de Mallorca.

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Sears files civil rights complaint

CHICAGO — Sears Roebuck and Co. filed a class action lawsuit in the U.S. District Court in Washington D.C. charging that 19 federal agencies have failed to enforce or improperly enforced laws barring discrimination in employment.

Fourth quarter slowdown in earnings at Shell Oil

MORE U.S. oil companies reported mixed results for 1978. Shell Oil, the Houston-based company, 60 per cent owned by Royal Dutch/Shell, said that net income rose 7 per cent from \$760m or \$3.29 a share in 1977 to \$814m or \$3.55.

Union Carbide edges ahead

UNION CARBIDE, the second largest chemical company in the U.S., blamed foreign currency accounting losses and the cost-price squeeze for its modest 3 per cent rise in 1978 earnings last night.

Weyerhaeuser Strong close at

WEYERHAEUSER Company, the leading U.S. forest products producer, has reported a 22 per cent increase in 1978 net earnings despite a \$41m after tax charge to cover the cost of settling civil anti-trust suits.

3M makes solid advance

MINNESOTA MINING and Manufacturing, the diversified group whose products range from abrasives and adhesives to "Scotch" magnetic tape, lifted fourth quarter earnings by 35 per cent from a corresponding \$109.9m or 94 cents a share to \$147.2m or \$1.26 a share.

Eulabank shows steady growth

EULABANK, the consortium bank which lends to Latin America, increased pre-tax profits by almost 21m to \$4m in the year to September 30, 1978.

Sharp gain at General Foods

BOOSTED by a sharp recovery in its worldwide grocery coffee business, earnings of General Foods soared by 79 per cent in the third quarter to \$89m, or \$1.38 per share, on sales which were only marginally higher at \$1.38bn.

Another leading U.S. food company, Nabisco, which also operates in the toiletry and pharmaceutical sectors, suffered an earnings decline last year to \$101.6m, or \$1.16 a share, from \$103.9m, or \$1.24.

While sales of its food products went up during the year, those in its other two main areas were stagnant, it said. During the final quarter, however, it managed a 14 per cent earnings gain to \$34.5m, or \$1.03 per share.

Kaiser Aluminum

Kaiser Aluminum and Chemical Corporation has declared a regular quarterly dividend of 25 cents per share on common stock.

RESULTS IN BRIEF Earnings decline for rail merger groups

NEW YORK — The two companies involved in a major railway merger plan in the U.S. which would affect the control of 27,000 miles of rail line experienced reductions in full-year net earnings per share. Chesapeake Systems earned \$3.59 per share compared with \$4.51, and Seaboard Coast Line Industries made \$4.64 per share compared with \$7.02.

The savings and loans group Great Western Financial improved to \$6.01 per share compared with \$4.95, and Imperial Corporation of America, another savings and loan body, earned \$4.96 against \$4.10.

National Standard, which specialises in wire and steel products, had slightly reduced first quarter earnings of \$4 cents compared with 86 cents and Ralston Purina, the feed and cereals concern, had boosted earnings to \$3.83 against \$3.03.

The retail group Dillon Companies had a better first half with \$1.63 per share compared with \$1.51. Taft Broadcasting had stronger nine months earnings of \$2.64 compared with \$2.05.

AMERICAN QUARTERLIES

Table with columns for company names (e.g., AMERICAN HOME PRODUCTS, PROCTER & GAMBLE) and financial data for 1978 and 1977.

FT INTERNATIONAL BOND SERVICE

The list shows the 290 latest international bond issues for which an adequate secondary market exists. For further details of other bonds see the complete list of Eurobonds prices published on the second Monday of each month.

Large advertisement for sonatrach 50,000,000 United States Dollars Guaranteed Floating Rate Notes due 1986 to 1992. Includes logos for various banks and the sonatrach logo.

U.S. DOLLAR

Table showing U.S. Dollar exchange rates for various countries and currencies.

DEUTSCHE MARK

Table showing Deutsche Mark exchange rates for various countries and currencies.

EUROPEAN CURRENCY UNIT

Table showing European Currency Unit exchange rates for various countries and currencies.

OTHER STRAIGHTS

Table showing other straight bond issues with columns for country, denomination, and price.

CONVERTIBLE BONDS

Table showing convertible bond issues with columns for country, denomination, and price.

EUROBONDS

Table showing Eurobond issues with columns for country, denomination, and price.

EUROBONDS ERN sector still strong

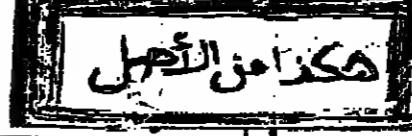
THE MEASURES announced by the Swiss central bank yesterday afternoon arrived too late to allow any reaction in the Swiss franc bond secondary market. Most Swiss bankers, however, expected prices to show a modest rise in trading today.

EUROBONDS

Table showing Eurobond issues with columns for country, denomination, and price.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE



EUROBONDS FRN sector strong

MILAN STOCK EXCHANGE

New lease of life for the private sector

BY RUPERT CORNWELL

STRIKE OR no strike, the Milan Bourse is enjoying one of its periodic mini-revivals.

Almost inevitably, at the centre of the activity has been Montedison, the chemical group whose adventures and misadventures have been a constant in the Italian scene for years.

Helped by favourable technical circumstances, trading volume has picked up and there are cautious hopes for further share price gains following last year's advance of around 28 per cent.

All this, however, still leaves the Bourse a long way from being a vital cog in the country's financial machinery.

market for years, but virtually nothing has been accomplished to bring its operation in line with the times.

Such discrepancies in turn add to the air of unreality surrounding the market, and reduce further its relevance.

Just why the Government is so unwilling, or unable, to improve matters is not entirely clear.

One possible explanation stems from the suspicion that were CONSOB given the powers it wants to delve into the books of quoted companies, some subsidiaries of Italy's powerful public sector corporations could yield secrets highly embarrassing to their political masters.

Currently the Milan bourse trades in one year what Wall Street dispatches in a day and a half, partly because around three-quarters of share deals take place outside the official market. But the tide may be turning.

drawn up a list for the Government of what should be done. First come incentives to persuade companies to seek a listing. While only 162 companies are currently publicly quoted (and just one of them foreign) "there are 1,000 Italian companies worth trading," says Sig. Alosio de Gaspari. These

should be supported by measures to induce savers to invest in shares (notably tax changes to put share income on at least the same footing as other income), and to stimulate the flow of risk capital into industry. The status of stockbrokers should be enhanced, measures brought in to encourage institutions into the market, and a tighter code of control takeover and share exchange offers and clamp down on insider trading.

Aluminium Pechiney expansion

By Terry Dodsworth in Paris

ALUMINIUM Pechiney, the French company which ranks among the world's top five aluminium manufacturers, has put in train a Fr 400m (\$92m) modernisation programme aimed at raising production by 20 per cent.

The move is based on the present state of buoyant demand for aluminium, and the conviction at Aluminium Pechiney, a subsidiary of the large Pechiney Ugué Kuhlmann group, that the industry is moving into a period of capacity shortage.

Much of the sales improvement last year, says Pechiney, was due to the increasing use of aluminium as a light, energy-saving component, and this trend is expected to continue.

The Fr 400m is being invested in the five years up to the end of 1983, with the lion's share going to the plant of St Jean de Maurienne where the object is to produce an additional 42,000 tonnes a year.

Pechiney claims that this method of expansion will be much cheaper than building a green field site, the aim being to reduce costs and energy consumption, while also improving working conditions.

The group will emerge from the programme with a total capacity in France of about 490,000 tonnes a year. This, it says, would enable it to remain at a level at which it can supply about 8 per cent of the world market.

In the short-term, Pechiney expects demand for aluminium to reach 12,250,000 tonnes this year, a 2 per cent improvement by comparison with 1978. U.S. demand is predicted to drop by 2.5 per cent, but to be more than compensated for by a 6 per cent rise in Europe and Asia.

If this prediction is fulfilled, Pechiney feels capacity utilisation in the industry will reach 92 per cent by the end of this year.

At the same time as this new investment in France, Aluminium Pechiney, which has a total world production capacity of a little over 1m tonnes a year, is pressing ahead with new investments in its Caserons and in Spain.

Yen rise hits Mitsubishi

BY RICHARD HANSON IN TOKYO

MITSUBISHI Corporation, the largest trading house in Japan, suffered a broad decline in sales and net profit in the first six months as a result of the yen's appreciation, and foresees a similar drop for the full year to March.

Net income for the period to September 30 was down by 12 per cent to ¥11,090m (\$56m) from ¥12,600m in the same period of the previous year. This was a steeper fall than the 4.9 per cent drop recorded for the parent company alone.

because of losses in converting overseas revenues into yen. Trading transactions were down by 9.4 per cent to ¥4,46 trillion (million million) from ¥4,92 trillion, with the biggest declines occurring in the value of its import business.

Mitsubishi did manage to increase the efficiency of its financing operations, showing a net decrease in interest ex-

penses of ¥4.5bn as a result of the lowering of the official discount rate last March. Gross trading profit declined by 7.7 per cent to ¥9,60m, to ¥11,488m, with about half of the drop due to exchange losses arising from the translation of receivables and payable of consolidated foreign subsidiaries into yen.

INI steps up capital investment by 35%

BY ROBERT GRAHAM IN MADRID

THE SPANISH Government has approved a 35 per cent increase in the 1979 investment of the state controlled holding company, INI. Total investment will amount to Ptas 157bn (\$2,650m), half of which is earmarked for the energy sector.

INI's investments in the 67 companies that it directly controls and the 200 others it indirectly controls account for roughly one-third of total industrial investment. Discounting inflation, the real increase in investment outlays will be around 15 per cent, growth that reflects the Spanish government's commitment to use INI as the main motor to revive

IEL bids for control of Winchcombe Carson

BY JAMES FORTH IN SYDNEY

INDUSTRIAL EQUITY, the corporate take-over specialist, has launched a bid for Winchcombe Carson, the New South Wales pastoral group. IEL is a long-standing shareholder in Winchcombe and already owns 21 per cent of the capital.

The IEL offer price is 82 cents a share, slightly less than the pre-offer market price in Sydney of 85 cents. Moreover Winchcombe shares have recently sold as high as 91 cents.

In a letter to Winchcombe directors Mr Ronald Brierley, the IEL chairman, said he was aware recent sales had been at prices above 82 cents but IEL firmly believed the price offer was a "very full and fair one."

Mr Brierley said the IEL bid was actually worth 85 cents because Winchcombe shareholders could retain the interim dividend, which IEL expected would be increased from 2 cents a share to 3 cents.

In the 10 years IEL had held

Sri Lanka reopens door to U.S. films

By Mervyn de Silva in Sri Lanka

THE BIC American film companies are back in business here after a lapse of seven years.

On the grounds that it never sold distribution rights to state monopolies or a consortium of Hollywood's seven majors refused to negotiate with the Sri Lanka Film Corporation. Established by the Bandaranaike Government, the corporation was sole importer and distributor of foreign films.

The present Government has not changed the law but has allowed two private companies, Ceylon Theatres and Liberty Cinema to purchase 69 films from the Bombay agent of the American companies.

The film corporation has endorsed the agreement on an undertaking that Rs 7m of blocked funds will be used by Kinematograph Renters Society of Bombay to expand the studios of the corporation. All the films have been sold on a percentage basis, averaging fifty-fifty of the box office takings. Recently, the Government raised all prices of cinema seats as cyclone relief measure.

Confidence in Philippines by new companies

MANILA — The Philippine Securities and Exchange Commission reports that the paid-up capital of new corporations registered last year rose 22 per cent to \$153.7m from \$125.9m in 1977.

Including paid-up capital of newly-registered partnerships, the total rose 16 per cent to \$166.7m from \$143.8m.

New investments approved in 1978 by the Philippine Board of Investments rose 85 per cent to \$226.2m from \$121.6m in 1977.

BOI approval is required for companies in which foreigners hold 30 per cent or more of the equity, AP-DJ

Big Wardley profit

BY ANTHONY ROWLEY IN HONG KONG

WARDLEY, the wholly-owned merchant banking subsidiary of the Hongkong and Shanghai Banking Corporation, announced net profits of HK\$47.1m (U.S.\$9.9m) — a 31 per cent increase over the 1977 figure of HK\$36m.

Wardley indicated that the dividend it is paying to its parent company—the HSBC—is HK\$30m against HK\$25m. The subsidiary has become the largest merchant bank in Hong Kong since its launch in

1972 and total assets reached HK\$2.94bn at the end of 1978 against HK\$37bn a year previously.

Co-operation between the Chinese Gold and Silver Exchange and the Hong Kong Commodity Exchange is needed to inject new interest into the Colony's depressed silver market, according to Mr. Henry Jarecki, chairman of Moccatta Metals Corporation, Hugh Peyton writes from Hong Kong.

New issues January 25, 1979

KINGDOM OF DENMARK

DM 100,000,000 5% Notes due 1985
DM 100,000,000 6 1/2% Bonds due 1989

Table listing various banks and financial institutions including WESTDEUTSCHE LANDESBANK, HILL SAMUEL & CO. LIMITED, UNION BANK OF SWITZERLAND, CREDIT COMMERCIAL DE FRANCE, DEN DANSKE BANK, R. HENRIQUES JR., etc.

THE SAITAMA BANK, LTD. Negotiable Floating Rate U.S. Dollar Certificates of Deposit Maturity date 26th January 1981. In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six-month interest period from 25th January 1979 to 25th July 1979 the Certificates will carry an Interest Rate of 12% per annum.

Weekly net asset value on January 21st, 1979. Tokyo Pacific Holdings N.V. U.S. \$66.36. Tokyo Pacific Holdings (Seaboard) N.V. U.S. \$48.35. Listed on the Amsterdam Stock Exchange.

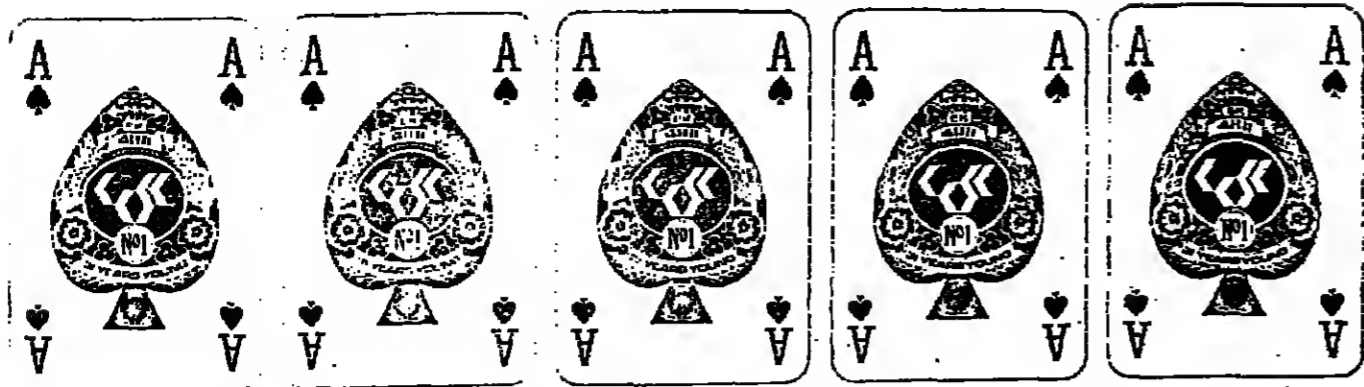
VONTOBEL EUROBOND INDICES. Table with columns for PRICE INDEX, DM Bonds, U.S. & Str. Bonds, etc.

CLIVE INVESTMENTS LIMITED. 1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101. Index Guide as at January 9, 1979 (Base 100 on 14.1.77). Clive Fixed Interest Capital 129.92. Clive Fixed Interest Income 114.69.

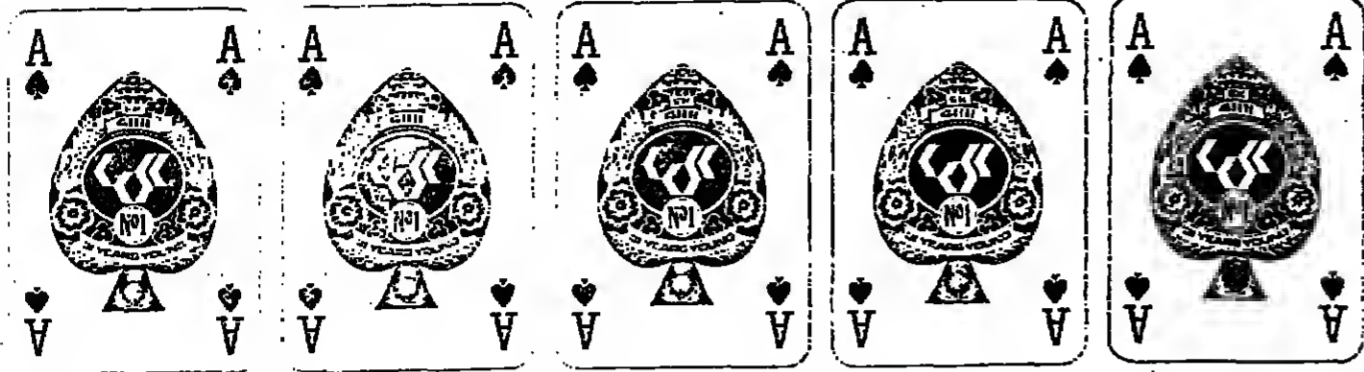
ALLEN HARVEY & ROSS INVEST. MANAGEMENT LTD. 45 Cornhill, London, EC3V 3PB. Tel: 01-623 6314. Index Guide as at January 18, 1979. Capital Fixed Interest Portfolio 100.11. Income Fixed Interest Portfolio 97.75.

All these notes and bonds having been sold, this announcement appears as a matter of record only.

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Woolgate House, 25 Coleman Street, London EC2R 5BT. Tel: 600 8063/9. Telex: 885751/2.

Companies and Markets CURRENCIES, MONEY and GOLD

Pound static: dollar weak

Conditions in yesterday's foreign exchange market remained rather quiet, and most currencies traded within a fairly narrow range.

FRANKFURT - The dollar was fixed at DM 1.5466 yesterday, up from Tuesday's level of DM 1.5443, and there was no intervention by the Bundesbank.

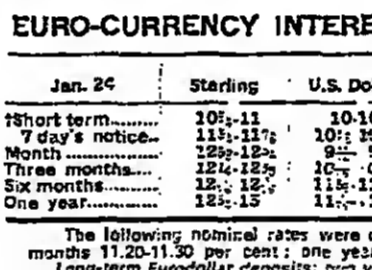
MILAN - After an easier start the dollar recovered after the fixing to DM 1.5352 compared with DM 1.5331 on Tuesday.

ZURICH - The dollar had shown very little up to mid-morning and was quoted at SwFr 1.6762 unchanged from Friday.

TOKYO - In moderate trading the dollar improved against the yen to close at Y197.57 on Tuesday.

At the close the pound stood at \$1.9895-\$2.0005, a rise of 30 points.

The dollar probably touched its best level against most currencies shortly before noon but eased during the afternoon to finish only slightly above its worst levels.



THE POUND SPOT FORWARD AGAINST £

Table with columns: Jan. 24, Bid, Day's Spread, Close, One month, Three months, 6 months. Lists exchange rates for various currencies.

THE DOLLAR SPOT AND FORWARD

Table with columns: Jan. 24, Day's spread, Close, One month, Three months, 6 months, 12 months. Lists exchange rates for various currencies.

CURRENCY RATES CURRENCY MOVEMENTS

Table with columns: Currency, Rate, Movement. Lists various currencies and their current rates and movements.

OTHER MARKETS

Table with columns: Jan. 24, Price, Note, Rate. Lists various market rates for different regions.

EXCHANGE CROSS RATES

Table with columns: Jan. 24, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Danish Krone, Norwegian Krone, Australian Dollar, New Zealand Dollar, Saudi Arab. Riyal, Singapore Dollar, Sth. African Rand.

EURO-CURRENCY INTEREST RATES

Table with columns: Jan. 24, Starting, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West Germany, French Franc, Italian Lira, Asian \$, Japanese Yen.

INTERNATIONAL MONEY MARKET

Austrian bank rate cut
Austria's bank rate was cut by 1 per cent to 3 per cent yesterday.

Sharp rise
Gold rose sharply in yesterday's London bullion market and closed \$61 an ounce higher.

UK MONEY MARKET

Nervous trading
Bank of England Minimum Lending Rate 12 per cent (since November 9, 1978).

Table with columns: Jan. 24, Jan. 25, Jan. 26. Lists gold prices for various types of gold.

LONDON MONEY RATES

Table with columns: Jan. 24 1979, Sterling Certificate, Interbank, Local Authority, Local Authority, Finance House, Company, Discount, Treasury, Eligible, Fine, Bank, Bills.

MONEY RATES

Table with columns: NEW YORK, Prime Rate, Fed. Funds, Treasury Bills, GERMANY, Discount Rate, Overnight Rate, One month, Three months, Six months, FRANCE, Discount Rate, Overnight Rate, One month, Three months, JAPAN, Discount Rate, Overnight Rate, One month, Three months.

هكرا من النجمل

FINANCIAL TIMES SURVEY

Thursday January 25 1979

مركز ابحاث الاقتصاد

Austria

The Austrian economy is doing better than the world climate might lead one to expect. But budgetary, industrial and personal problems are building up for the Socialist Government and the Opposition is seizing on them in an election year.

Kreisky on trial

By W. L. Luetkens

AUSTRIA HAS embarked on an electoral campaign which may well end a decade of Socialist rule. But in spite of the noisy blash of the hustings it is all but certain that whatever else may alter, Austria's fundamental attitudes will not.

Consensus is too well established in Austrian life, and in particular in industrial relations, to be broken by a mere election. The social consensus, which has given the country labour relations almost as peaceful as those in neighbouring Switzerland, will survive. As in the past, the leading personalities of the labour movement and of the employers' side will quietly arrange matters to avoid confrontations.

Ask those in the know in Vienna and you will hear that the social contract may well come under strain as a new generation takes over, but that in the foreseeable future it will not be broken.

So far the contract, also known as social partnership or, somewhat wistfully, as the Austrian model, has served the country well. There is wide-spread agreement among Austrians that it is a main, if not the main, reason for the remarkable increase of their prosperity in the past 20 years.

The statistics have been rehearsed often. GNP per head in U.S. dollars at current rates and prices has overtaken that of the European Community, and increased faster than that even of the Germans. In 1960 Austria was 31 per cent behind them, in 1977 only 24 per cent. Figures of that sort never can

be conclusive, but a cursory look at the thriving small towns and villages or at the shops in Vienna will prove the point that Austria is prospering.

Though there is a structural visible trade deficit, Austria is a successful exporter; merchandise exports amount to 20 per cent of GDP, as against 23 per cent in Germany. The tourist trade, an important balancing factor in external payments, has not suffered the severe setback forecast for 1978. But the country continues to depend on capital imports to balance its payments.

Inflation and unemployment, twin scourges of Western economies, are under control. The consumer price index which rose by 7.3 per cent in 1976, the bad year, moderated to 3 1/2 per cent last year and 3 per cent is forecast for 1978. The unemployment rate has been creeping up, but the 2.4 per cent forecast for this year is likely to arouse envy elsewhere.

Policies

The main economic policies used to achieve these results are the maintenance of a firm exchange rate in the interests of holding down living costs, and with them wage claims; and free resort to deficit spending. Unless the rapid increase of the government debt can be arrested, it eventually will restrict the margin for manoeuvre.

Already the deficit is likely to cost the Socialist Government of Dr. Bruno Kreisky, the Chancellor, votes at the election due

on May 6. Austrians tend to believe strongly in financial rectitude and the deficit explosion has not been popular among middle-class voters.

Yet it is precisely among voters not traditionally dedicated to the Socialist Party that the Government must do well if it is to preserve its absolute majority in Parliament. The importance of these so-called "Kreisky voters" can be seen easily from the most recent public opinion poll. It showed that 49 per cent of the electorate preferred the Socialist Party—which under the proportional representation system would destroy the Socialists' absolute majority of 93 seats in a Parliament of 183 members. But 57 per cent wanted Dr. Kreisky as Chancellor, with the alternative chances really nowhere.

Dr. Kreisky clearly is the dominant political personality. But he turned 68 this year, potential successors in his party are jockeying for position, and there are signs that his touch is not what it used to be. For instance, on November 5 last year the electorate rejected his recommendation to support in a

referendum the commissioning of Austria's first nuclear power station.

The opposition believes that the vote would have gone the other way if Dr. Kreisky had not tried to make the issue one of confidence in himself. His hint that he might resign—suitably hedged about in Dr. Kreisky's usual way—may indeed have caused some supporters of the opposition parties not to back the nuclear plant.

Now the power station, at Zwentendorf, stands complete but uncommissioned, as AS 8bn (£300m) monument to muddle. There are those both in industry and in the trade unions who believe that a few more increases of the price of oil or a power cut or two will create a national mood in which another referendum could reverse last November's result. But Dr. Kreisky says he would caution against such a course. In his view the referendum did at least give young people, among whom anti-nuclear feeling is widespread, a feeling of confidence in the political process.

Dr. Kreisky's prestige also suffered when it was discovered that Dr. Hannes Androsch, his Minister of Finance and one-time chosen successor, was the co-proprietor of an accounting firm whose business had grown greatly while he was in office. Nobody suggested that Dr. Androsch was guilty of any impropriety, but the potential conflicts of interest were obvious.

Backing

The Chancellor was furious, but Dr. Androsch got by. It is an open secret that he has the backing of Herr Anton Benya, the seasoned leader of the trade union federation, who is regarded as the real kingmaker among the Socialists.

His reasons for backing Dr. Androsch are obscure, though the Finance Minister's ability is a point in his favour. But there seems to be a dislike between Herr Benya and the other contender for the Socialist leadership, Herr Leopold Gratz, Mayor of Vienna. Herr Gratz, in any case, blotted his copybook in October when his party lost some seats in the municipal

elections in Vienna, the classic Socialist stronghold. Yet in spite of Herr Benya's backing, Dr. Androsch, a technocrat rather than a man of socialist ideology, remains under a cloud.

As he did in the Zwentendorf affair, the Chancellor has again hinted that he may step down if the electorate robs the Socialists of their absolute majority on May 6. For his own person—but not necessarily his party—he appears to reject coalitions either with the People's Party, a classic Continental Christian Democratic grouping, or with the small Freedom Party, an amalgam of liberalism and non-clerical conservatism.

Unlike the Socialists, the People's Party has got over its leadership problems. Dr. Josef Taus, a member of the younger generation and one-time banker, is in charge, though problems may develop if he does not lead his party to a somewhat improbable absolute majority. If the Socialists lose theirs, but the People's Party also falls short of an absolute majority, pressures will develop to revert to the post-war pattern of a

KEY FIGURES OF THE ECONOMY

	1977 (ASbn)	*1978 (ASbn)	†1979 (ASbn)
Gross Domestic Product (current prices)	782.5	844.0	900.0
Exports broadly defined (current prices)	273.9	295.2	323.1
Imports broadly defined (current prices)	306.5	305.8	339.5
Real growth of GDP	% 3.7	% 1.5	% 3.0
Gross investment in plant and equipment (real)	6.4	-2.0	2.5
Consumer prices	5.5	3.5	3.0
Unemployment ratio	1.8	2.1	2.4
* Estimate. † Forecast.			Source: Wifo.

coalition embracing the two big parties.

As befits a banker, Dr. Taus has directed his main attack against the financial policies of the Kreisky Government. He promises to end the budget deficits by 1984 if a 4 per cent growth rate can be achieved (rather a large if). The tax quota, now close to 40 per cent of GNP, is to be cut and the civil service run down by 1 per cent a year. Moreover, he wants more reliance on interest policy as a means of encouraging investment rather than the present plethora of subsidies and incentives.

On the difficult question of the exchange rate Dr. Taus expresses himself cautiously. But he does criticise what he calls the application of a hard currency policy as the exclusive instrument for keeping prices stable.

All of that makes a good deal of economic sense—not least Dr. Taus's argument that taxes are too high. Austria always has had a tax system with many legitimate and some illegitimate short cuts. The fact that tax revenue has been growing less quickly than GNP—even at a time when taxation was being made more stringent—supports the view that taxpayers are making increasing use of these opportunities.

The Taus programme should also have popular appeal. But the Socialists have the undoubted prosperity of the country on their side, however big the problems of the future may be. The notorious caution of the electorate also will work for them, as will the still-potent appeal of Dr. Kreisky. Whether that will be enough only May 6—and the subsequent infighting—can show.

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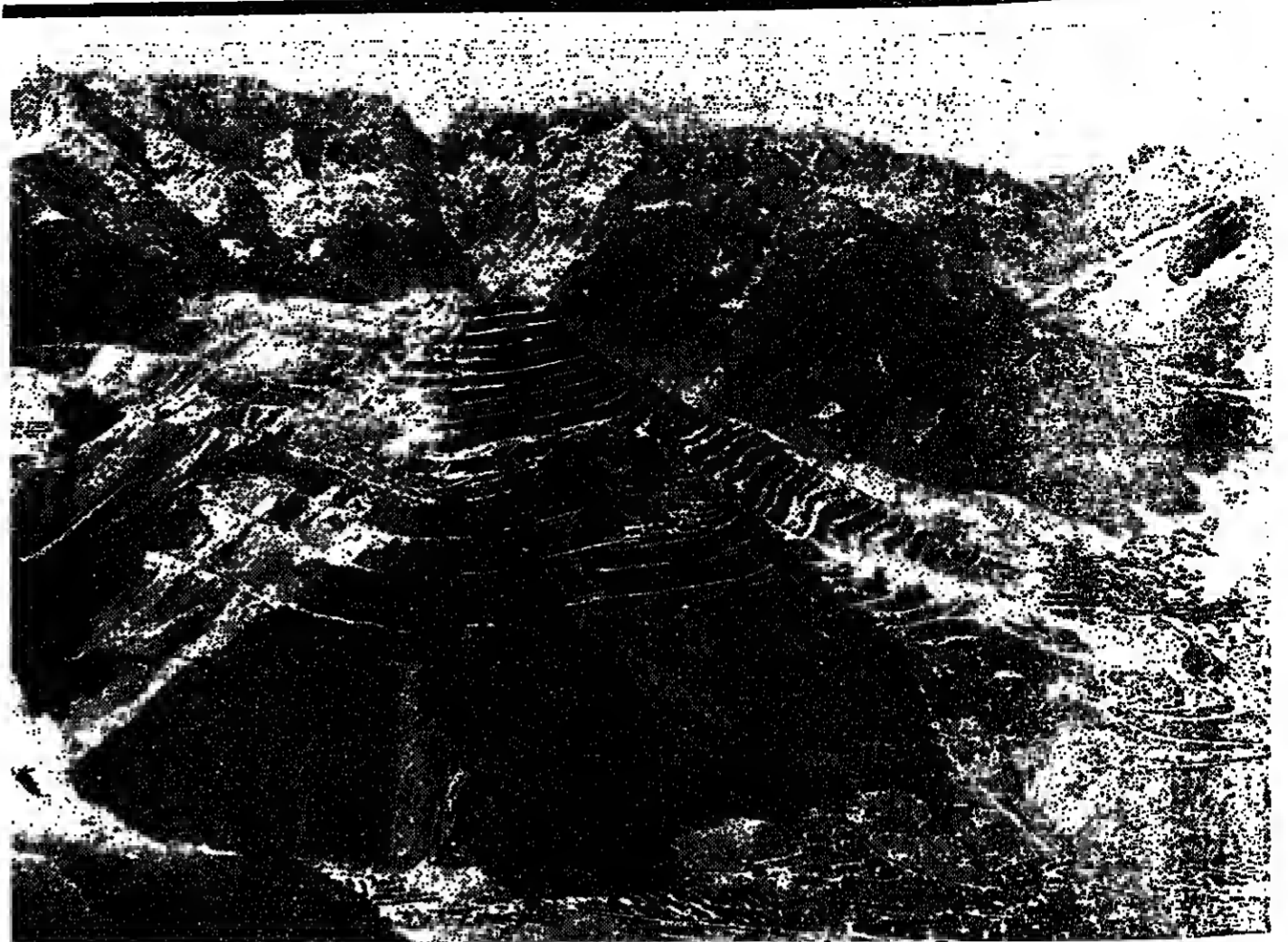
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AUSTRIA II



Erzberg, the iron ore mountain, in Styria, which still supplies part of the ore used by the Austrian steel industry.

Economy on the high wire

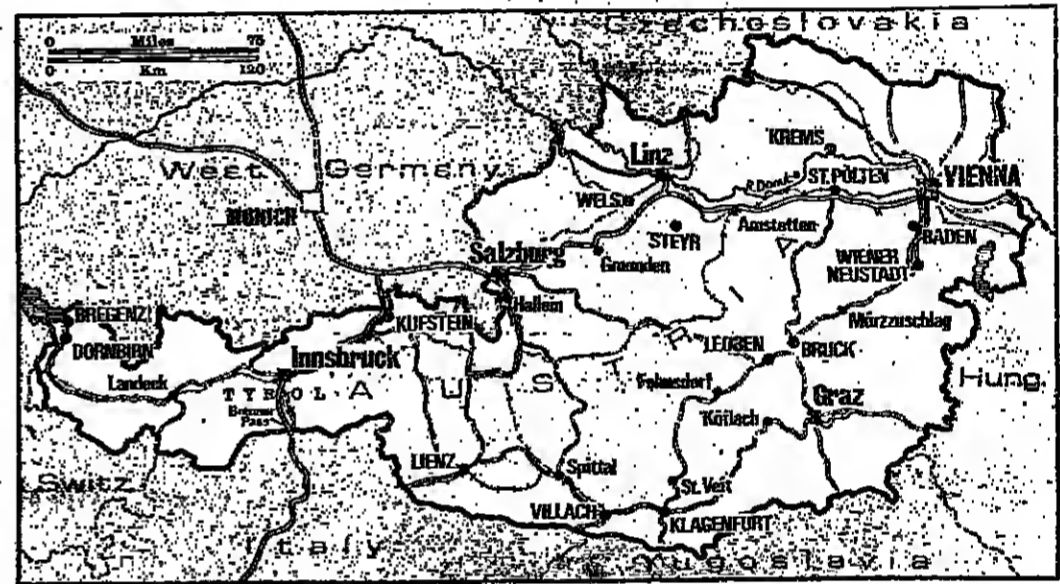
THE AUSTRIAN economy has entered an election year in far better fettle than anyone had dared to hope for 12 months ago. But though the problems look less daunting, they have not gone away. External payments and, above all, the budget deficit could quickly become bothersome again.

The overall line of economic policy—both fiscal and monetary—has been summarised by Dr. Hannes Androsch, Minister of Finance, who said at the time of his budget last October that it was his strategy to proceed in a globally restrictive but sectorally expansive way. Whether he will admit it or not, he has set a task close to that of squaring the circle. And whether the opposition will admit it or not, results so far make it look as though some success has been achieved in this seemingly impossible task.

The outstanding facts of 1978 (taken from the year-end calculations and estimates of WIFO, one of the two main Austrian economic research institutes) are: GNP grew by 1½ per cent, exports by 6 per cent, both in real terms. The inflation rate, as measured by the consumer price index, was reduced to 3½ per cent from 5½ per cent in 1977, while the unemployment ratio rose marginally from 1.8 per cent in 1977 to 2.1 per cent in 1978.

In the monetary field the chief instrument of the seemingly contradictory policy of expansion and restriction is a limit upon the amount by which financial institutions may increase their credit volume. Consumer loans must not increase by more than 0.55 per cent monthly. Loans to business on the other hand may rise by 1.3 per cent since the beginning of this year. Whether they will do so is another question: the limit of 1.1 per cent in force during 1978 was not in fact reached. It remains to be seen whether demand picks up during 1979. Judging by what is known of investment intentions in industry, it may not.

In the budgetary field, the main event of the recent past was a hefty increase of added value tax at the end of 1977 to a standard rate of 18 per cent and a so-called luxury rate of 30 per cent. The latter was a thinly-disguised measure of import restriction, aimed especially at cars. At the same time a number of administered prices, such as fares and postal dues, were increased heavily. On the other hand, at the beginning of 1979 income tax cuts totalling about AS 3bn (about £107m) took effect. Interest rates will come down this year and plans have been announced to cut out the so-called investment tax at a cost of about AS 2bn on this year.



anachronism: it was introduced as a temporary measure during the boom of the early 1970s; given the changed circumstances it is being phased out a year earlier than intended. Its abolition is the biggest item in a AS 2.7bn programme that the Government intends to give the economy this year. The remainder AS 1.7bn will come mainly in the form of investment grants and loans and the subsidisation of interest rates for approved investment projects. The programme is to run for more than a year: the target altogether is AS 8.3bn over a five-year period. It is not the first programme of its kind. Since the recession of 1975, the Socialist Government has relied upon deficit spending and investment incentives to maintain full employment and also to achieve a restructuring of industry. Its success with the first objective is undeniable. It is rather more difficult to know how much progress is being made with reshaping Austrian industry in a manner calculated to increase competitiveness in world markets and to reduce dependence on imports.

There are some encouraging signs, especially the fact that during 1978 Austria increased its market share in intra-OECD exports, making progress above all in Germany, its biggest market. But investment intentions in industry are stagnating and, in real terms, investment in industry may contract during 1979. The latter assertion is based on inquiries admittedly made before the latest expansionary measures were announced. But experience has shown that investment incentives are not by themselves enough.

What is more promising is that profit margins in exports may be relieved of the pressure that they have been under in 1978. Wifo in its prognoses for 1979 forecasts no real increase of investment in industry, though it does say that the corner may have been turned

by 1980. The reason for saying so is the belief that West Germany will continue on the path of economic expansion. Some years ago there were hopes that Austria could look forward to bigger exports to the German countries and to the oil producers. These expectations, at least, have been only partly fulfilled. Markets in the EEC and what is left of EFTA remain crucial, and Austrian exporters have been doing well there.

Exports overall increased from AS 119bn in the first nine months of 1977 to AS 127bn in Jan.-Sept. 1978, and the share of EEC and EFTA countries in those totals rose from 63 per cent to 65 per cent. What makes that undoubted success all the more remarkable is that it was achieved with a strong currency. Though the link that had been maintained with the Deutsche Mark was severed when the Germans kept wage demands moderate. Last year wages advanced by 4.4 per cent, and this year's wage round looks like having much the same result. Nevertheless, the 1 per cent devaluation of the Schilling vis-à-vis the D-Mark in October was a landmark, and one that Austrian exporters were glad to reach. It is improbable that if the D-Mark should appreciate once more in the foreseeable future, the Schilling will follow all the way. The exchange rate has been firmly managed in Vienna in a manner which made Austria something of an unofficial member of the so-called 'snake'.

Once the European Monetary System comes about, Austria will choose a similar quasi-membership. There is, of course, more than the exchange rate to the Austrian social contract which has given the country an almost complete freedom from strikes. The chief element is the extreme reluctance of employers to resort to sackings. Labour has very nearly become part of their fixed costs—a high price to pay for peace, though what they get for that price is of high quality. Dismissals and closures are not unknown, of course. The trade union federation indeed takes the view that the right to a job which it insists upon is not

synonymous with a right to be kept on in a specific job. So far the drift into service industries has proved the safety valve, allowing industry to shed about 50,000 people in recent years without producing a great pool of unemployed. In fairness one has to add that a steady reduction of migrant labour has also helped. From a peak of 250,000 employed in industry and services (and not counting those present illegally), the number of migrants has fallen to about 180,000 and the trend is continuing. If those 70,000 foreigners had not been sent home, Austria would now have not 60,000 but 130,000 unemployed.

Moreover, the safety valve represented by the service industries may now be closing. There are limits to the absorptive capacity of the tourist trade, and central and local governments are running out of money so that the public service should cease to grow. Like the reduced ability of the service sector to absorb extra labour, the financial stringency raises serious questions for the future. Since the end of the cheap oil era, Austria no longer has been able to alternate between periods of deficit spending and boom times of budget surpluses: the booms have failed to materialise.

For 1979 Dr. Androsch expects a deficit of AS 49bn or AS 31bn net of debt redemption. There are strong reasons for tolerating it, not least because some of the biggest amounts are going into the investment spending of the railways and the post office. Yet an increase of the federal debt from AS 47bn in 1977 to AS 198bn in 1978 must be a matter of concern. Moreover, the increase of the foreign debt (included in the figures above) from AS 14bn to AS 58bn since 1970, raises doubts about the payments position.

Dr. Josef Taus, leader of the Opposition, scornfully says that the Government is running affairs on borrowed money. Externally, however, things have looked up since 1977. A very bad year. Then external payments were balanced to borrowing AS 22bn and running down the reserves by another AS 7bn. Wifo's calculation for 1978 is borrowings of AS 20bn and an increase of reserves by AS 9bn. In the end one is left with the impression of a brilliant high-wire act. One end of the wire is held up by the soundness of the German economy, what holds up the other end is Austria's secret. The social contract is a most important part of that secret—but not all of it. W. L. Luedtke

	1976	1977	*1978	†1979
Visible trade	-32.5	-71.2	-55.0	-64.1
Services	26.5	23.6	36.1	31.2
Transfer payments	-0.4	-1.5	-1.0	-0.5
Current account	-6.4	-49.2	-20.9	-33.4
Capital account	13.0	21.9	19.9	18.4
Errors and omissions	10.1	20.3	15.0	15.0
Reserve changes	-3.3	-7.0	9.0	Nil

* Estimate. † Forecast. ‡ This position appears to be service-related and properly belongs to the current account.

On this page PAUL LENDVAI, our Vienna Correspondent, profiles six leading Austrian politicians: the Federal Chancellor, his partners, his opponents, his possible successors.

Who's who in Austrian politics



Dr. Bruno Kreisky

Bruno Kreisky

DR. BRUNO KREISKY, 68, Austria's Federal Chancellor, has been longer in office than any of his predecessors since the break-up of the Austro-Hungarian monarchy. Yet, according to the latest opinion poll, he is still by far the most popular Austrian politician with 57 per cent of those asked opting for him as the next chancellor rather than for his main opponent, the leader of the People's Party.

father figure for a country where age still commands respect.

As Secretary of State for Foreign Affairs and subsequently Foreign Minister, between 1955 and 1966, Dr. Kreisky quickly established a steadily growing international reputation as pathmaker of détente in Central Europe. But at the same time, he has always been an uncompromising adversary of Communism. A life-long Social Democrat, he spent almost two years in prison under the Austro-Fascist and subsequent Nazi dictatorships, before managing to escape to Sweden where he spent in all almost 13 years.

All along, Dr. Kreisky has been more popular than his party. Before 1970 the Socialists could capture only between 42 and 44 per cent of the popular vote. It was his new-style politics including a dialogue with the Church—something new among Austrian Socialists—an opening towards the (largely anti-Socialist) Press and the winning of the confidence of substantial portions of the middle class which paved the way to a decade of social democratic government elected by one of Europe's most conservative electorates.

In 1974, Dr. Kreisky withstood the pressure of his power-hungry colleagues and refused to stand as presidential candidate. Instead he practically forced his party to accept the nomination of his erstwhile chief of Cabinet and later foreign minister, the non-party Catholic diplomat, Dr. Rudolf Kirchschlaeger who subsequently became federal president.

So even if the Socialists were to lose their absolute majority at the elections next May, there is no question of Dr. Kreisky leaving the political scene. He is not going to be chancellor of the so-called Great Coalition with the People's Party. But he left all other options open and remains until 1980 as chairman of the Socialist Party.



Dr. Josef Taus

Josef Taus

THE LEADER of the main Austrian opposition party, Dr. Josef Taus, who may become the next Federal Chancellor, is the only top Austrian politician since the 1939-45 war with a predominantly non-political career. At 46, he has two very unusual characteristics: first, he was one of Austria's top bankers

who at the age of 35 took over as Director-General of Girozentrale, the umbrella institute of the Austrian savings banks. Within seven years Girozentrale became the second-largest Austrian credit institution with the highest growth rates in its balance sheet among all major Austrian banks.

Second, Dr. Taus is perhaps the only Austrian politician who has lost rather than profited from attaining political power. As chairman of the People's Party, he earns just over one-third of what he used to take home as Director-General of Girozentrale and member of two dozen supervisory boards of Austrian companies.

Yet the man who after the sudden death of Dr. Karl Schleizer in a car accident in July, 1975, became People's Party chairman in many ways more "left" than quite a few of the socialist dignitaries. It was under the influence of Dr. Karl Kummer, one of the few People's Party MPs after the war who were deeply committed to the Christian Social ideas with a distinctly anti-capitalist edge that the young Taus became interested in politics.

cashier in a gambling casino in Velden.

After a spell at the Institute for Economic Research, Dr. Taus joined the Girozentrale in 1955 and soon afterwards became a ghost-writer and adviser to the Finance Minister, Dr. Josef Klaus, who in 1964 took over as Chancellor and two years later captured for the People's Party the absolute majority at the general elections. Dr. Taus was promoted to become the youngest member of his Cabinet as Secretary of State. Within a year, he moved to the chairmanship of the newly set up holding company for the nationalised industries and joined the board of Girozentrale.

After his brilliant banking career, Dr. Taus at 42 became a professional politician, only to lose the elections two months later in October 1976 when Dr. Kreisky captured an absolute majority for the Socialists for the second time. But those who quickly wrote off the initially shy and introverted intellectual as a failure were mistaken.

Dr. Taus—who in contrast to some of his political opponents still lives in a modest semi-detached house—is firmly in control of his party and party machine.

Those who know him are convinced that he would be a success as Chancellor at the Ballhausplatz. His problem is how to get there.



Dr. Hannes Androsch

Hannes Androsch

SOME AUSTRIAN commentators are convinced that the country's next Chancellor will be Dr. Hannes Androsch, currently Vice-Chancellor and Finance Minister, who has belonged to the Kreisky-Cabinet without interruption since April 1970. At the time, the chartered accountant and secretary of the Socialist parliamentary group was almost unknown in Austrian politics. He had become a member of parliament only in 1968 and Dr. Kreisky took a calculated risk in appointing the youngest Finance Minister in Austrian history.

He went even further and helped to promote Dr. Androsch to become one of the deputy chairmen of the Socialist Party and at the end of September to the post of Vice-Chancellor.

However, the two men, according to a recent poll, became somewhat alienated when Dr. Androsch made a bid two years ago to become president of his central bank.

Last summer, opposition attacks against Dr. Androsch drew public attention to the potential conflicts of interests between his public functions and his private business interests.

Together with his wife, Dr. Androsch controls 75 per cent of the equity of one of the country's largest chartered accountants, Consulto, with a reported turnover of AS 16m (£800,000) in 1977. After heated public controversies, his holding will be taken over by trustees. He lives in a large house which, according to his own figures, cost in all about £500,000.

The able and tough accountant managed to survive the attacks and the equivocal attitude of the Chancellor due to the support of the powerful traditionalist trade union chief, Herr Anton Benya. But Dr. Androsch has no power base of his own and being a favourite of his union chief, who is also president of the federal parliament, may in the end harm rather than help his chances of over becoming Chancellor.



Herr Leopold Gratz

Leopold Gratz

THE BY FAR most successful Socialist vote-getter in Austria after the Chancellor is Herr Leopold Gratz, 49, Mayor of Vienna. A textbook case of "how to succeed without really trying," Herr Gratz is one of the few all-round and outstanding political talents the second republic has produced.

Despite the setbacks suffered at last November's municipal elections in Vienna with the Socialists capturing "only" 57.2 per cent of the popular vote, the Mayor is the second most popular Austrian politician, according to a recent poll.

In addition to being Mayor, he is also head of the strongest Socialist party organisation with over quarter of a million re-

gistered members, accounting for one third of the national membership. So Herr Gratz has an independent power base which may well count more than the personal sympathies in the succession battle of the powerful trade union leader Herr Anton Benya if and when Dr. Kreisky leaves the political scene. Herr Gratz is not only good-looking and eminently likeable, but also a consummate parliamentarian. With the impeccable credentials of a proletarian Viennese descent, this erstwhile Socialist Youth leader, central secretary of the party, Minister of Education in Dr. Kreisky's first Cabinet and, finally, leader of the Socialist Parliament group, is unlikely to spend the rest of his life as Mayor of Vienna.

His candidacy at the general elections is a signal that Herr Gratz, whom the Viennese like to call by his nickname, Poldi, is still a serious candidate for the succession. Though his critics complain that Herr Gratz lacks push, stamina and toughness, he is undoubtedly the frontrunner as far as the sympathies of the party activists, women voters, and youth is concerned.

Erhard Busek



Dr. Erhard Busek

IT WAS the collapse of the Reichsbuercke, one of Vienna's principal bridges, in August 1976, which, paradoxically, forced not the Socialist mayor, Herr Leopold Gratz, but the People's Party leader in Vienna to resign and to be replaced by Dr. Erhard Busek—at 35 a complete newcomer to municipal politics.

It was the result of the accumulated resentment of the People's Party activists and the non-Socialist Press against the poor leadership of the main opposition party in the municipality which time and again had failed to exploit issues of corruption and other scandals in the capital.

In just over two years, Vienna-born Dr. Busek has managed to tap and mobilise the anti-Socialist political reservoir of the upper and middle-class Viennese, who in the past simply did not bother to go to the polls.

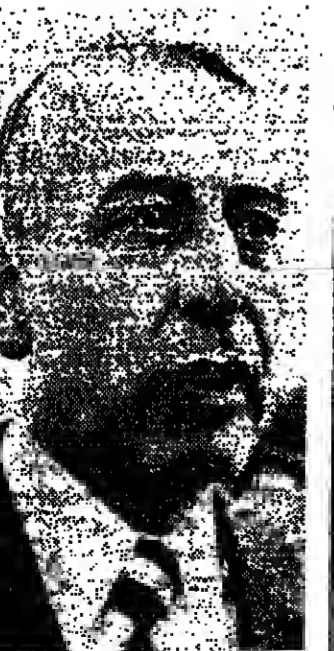
At the October municipal elections he gained four seats and when Dr. Kreisky, the Chancellor, declared publicly "Busek is the real winner" although the Socialists remained firmly in control of the city senate.

Ever since he graduated from the faculty of law, this quick-witted and highly-ambitious intellectual has been a professional politician. Five years as secretary of the People's Party parliamentary group were followed by a further five years as secretary-general of the "Wirtschaftsbund", one of the three

leagues constituting the People's Party and representing the business community.

Dr. Busek's selection as secretary-general of the party in the summer of 1975, when he was still only 34 years old, was one of the main conditions Dr. Josef Taus set before agreeing to take over as party chairman. Despite his highly-successful operations in municipal politics, Dr. Busek also has been acting as principal party spokesman on culture and science. In view of his flair for public relations, and good contacts with the mass media, the Socialists secretly regard Dr. Busek as perhaps their most dangerous adversary in the future.

Alexander Goetz



Dr. Alexander Goetz

LESS THAN a year ago Herr Friedrich Peter, for 20 years chairman of the Freedom Party, the third force in Austria, was replaced by the younger Dr. Alexander Goetz, the Mayor of Graz, Austria's second largest city. Like his predecessor, Dr. Goetz also has a "brown"—that is Nazi—past. As a Hitler youth leader, the 17-year-old school-boy was kept in jail 14 months by the British occupation authorities. But in contrast to Herr Peter, who despite his wartime record has become a genuine liberal, Dr. Goetz cultivates a political style recalling the ill-fated 1930s and which is out of tune with the Austrian politics of social consensus and political fairness. Worse still for his party, the new chairman alienated potential voters in Vienna by saying the railway station here was his "favourite spot" because from it he could leave to return to his native city. He has refused to give up his mayoralty in Graz, expressing a lack of confidence in his future, the vice-chancellor in the next on the national political stage.

Though the appetite of a "Taus-Goetz" small coalition is bound to be the favourite Socialist propaganda slogan, it is unlikely (though not impossible) that this Right-wing politician from the provinces will be the vice-chancellor in the next Austrian Government.

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the fine institutions who by friendship and co-operation have enabled us to become what we are today: a 100 billion Schilling bank. We know how reassuring it is to be able to rely on friends in London, New York and in all the financial centres of the world. This is why we think that we ought to tell you and all our banking partners all over the world, there is a friend to rely on in Austria.



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AUSTRIA IV

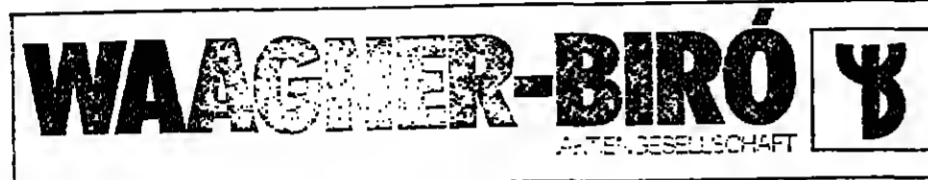
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THE STATE owns five of the nine largest Austrian concerns. In a sixth it has a large minority position. Of the remaining three, two belong to the industrial group of Austria's largest bank which, in its turn, is under the majority control of the state.

Austrian markets and those in south eastern West Germany and in north eastern Italy. So much has been recognised by the Voest management. Last year it closed all of its open hearth furnaces and some LD capacity as well, in all 13 tons of a theoretical capacity of 5m tons of crude steel a year.

vehicle to challenge the Land Rover, and the chance of a Ford branch plant at Aspern, in Lower Austria. Besides, there have been contacts this month with a view to setting up a General Motors branch plant.

Prof. Kausel argues that the competitiveness of Austrian industry overall must have continued to improve since 1970. By last year, he says, 64 per cent of Austria's chemical imports (again without heavy products) were covered by similar exports, as against 46 per cent in 1970.

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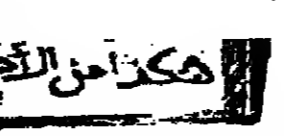
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Co-operatives aid farmers' power

THOUGH 1978 was by all accounts a good year for Austrian farming, the reduction of state subsidies for the support of dairy product prices and the sharing of the costs of subsidised exports have produced much-publicised clashes between the Socialist Government and its Minister of Agriculture, Mr. Guenther Haiden, on the one hand and the representatives of the farmers' lobbies on the other.

situation in mountainous and low-lying areas even within the same regions. The figures on about 13 per cent of the farms struggling below "poverty level" may be statistically right. But it was the President of the Farmers' League himself, Mr. Roland Minkowitsch who recently related a conversation with a farmer's wife who had been complaining about the difficult economic situation.

liche Zentralbank (GZB) has operated under this name for over 50 years and was originally founded as a clearing centre of the co-operatives. Today with a balance-sheet of A.Sch 62bn GZB is the fourth largest joint stock bank with the largest number of outlets in the country. It runs about 1,300 independent branches with some 1,000 additional outlets. The regional federations of the Raiffeisen co-operatives, two central trade co-operatives and eight regional mortgage banks are the institutional shareholders.



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Table with 3 columns: at year ending, 1976, 1977, 1978. Rows: Total assets, Capital & reserves, Net profits after taxes.

Converted at Ash 13,3675 per US \$ Figures before auditing Fall in net profits due to corporate tax increase of 100% in 1978 for savings banks.

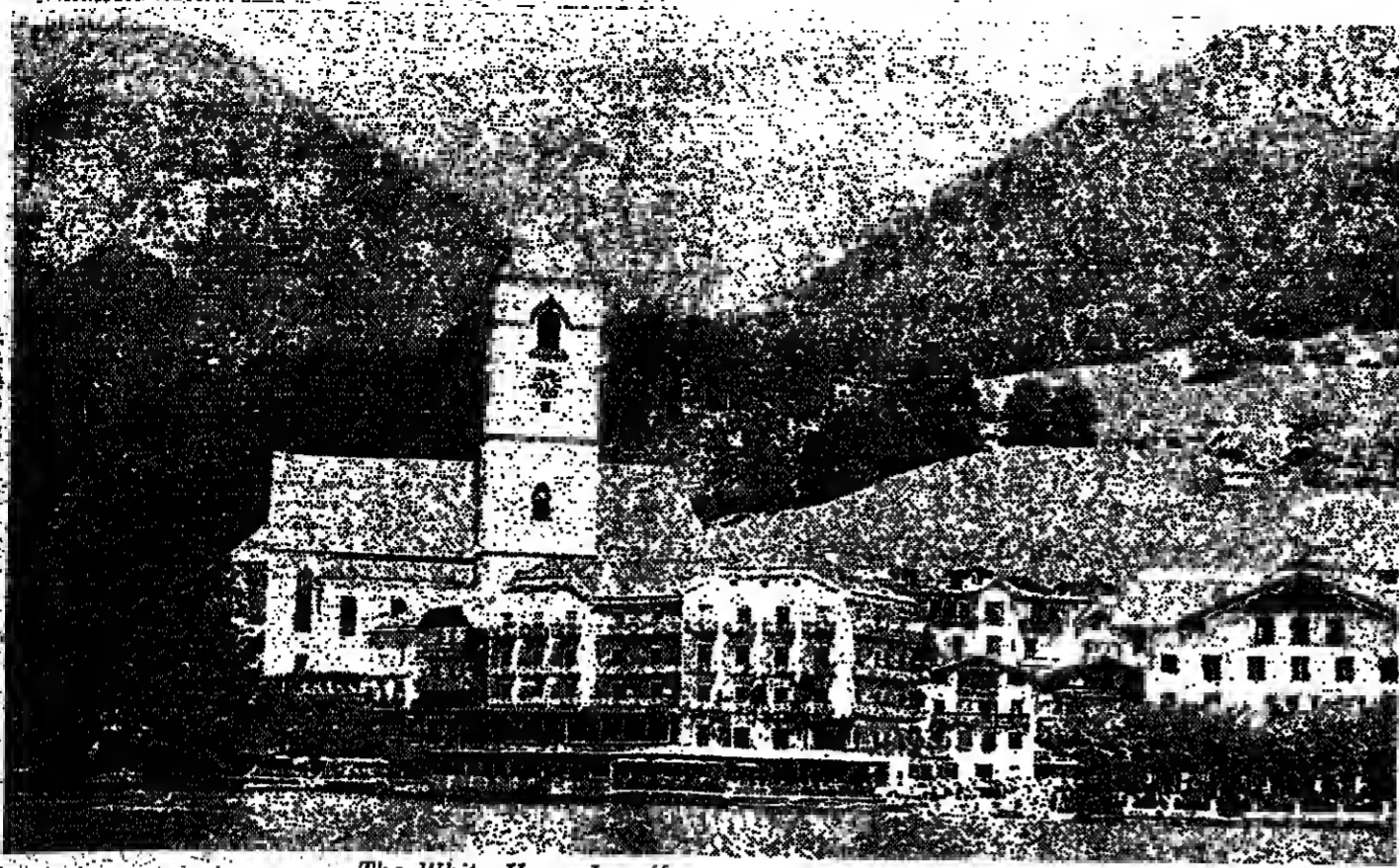
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Form with fields for Company, Industry, Address and a signature line for Paul Lendvai.

AUSTRIA V



The White Horse Inn (foreground) at St. Wolfgang

Subsidies for tourism

THE PRE-ELECTION investment promotion programme, first presented by the Socialist government, lists as one of the priority tasks assistance for the tourist industry. It is described as a branch which even in the period of recession has not been affected by crisis. The measures include an increase of special credits by AS 80m, a subsidy of AS 50m for modernising and improving cablecars, an additional AS 20m in the form of interest subsidies for improving quality in lower-class hotels and guest houses as well as funds to the tune of AS 10m for promoting incoming tourism by establishing tour operator firms.

These and previous measures, involving the provision of federal credits at a preferential interest rate, should indicate that the Government is not turning a blind eye to the problem of an over-extended but crucial industry. The improvement in quality and the weeding-out of surplus and poor accommodation together with co-ordinated action by the federal and local authorities in the field of fiscal, transport and environmental policies are the most urgent tasks to be tackled if Austria wants to retain its pre-eminent position in the highly-competitive world of international tourism.

The economic significance of the tourist industry is reflected in the latest, still provisional, figures for foreign exchange intake, during the January-November period in 1978. Compared to the first 11 months a year earlier, gross intake from tourism was up by 11 per cent to AS 56.8bn. More important, of course, is the net surplus (after deducting expenditure by Austrians abroad). This key indicator also showed a jump by 25 per cent to AS 28.8bn. In view of Austria's structural trade deficit, tourism is an extremely important stabiliser in the balance of payments.

But the point of the matter is the rapid deterioration of the ratio between net surplus from tourism and the visible trade deficit. Therefore in 1970 the net tourism intake was able to offset 96 per cent of the trade gap, but by 1976 the proportion had dropped to 54 per cent and in 1977 had reached an all-time low of 37.2 per cent (the latest figures, however, also reflect adjustments based on the Schilling bank notes taken out by the 170,000 foreign workers employed in 1978 in Austria). The situation considerably improved in 1978 with the net intake again covering a large proportion of the trade deficit, which in turn also fell by almost 25 per cent.

Survey

Statistics about spending during winter and summer seasons underline the relative importance of winter tourism. According to a useful survey compiled by the Austrian Business Chamber, average daily expenditures by foreigners in the winter season 1976-77 totalled AS 667 as against only AS 533 during the summer season in 1977.

Shift

Overnight stays by foreign tourists during the so-called "tourist year" (November 1, 1977, to October 31, 1978) were also up by 3.3 per cent to a grand total of 80.8m while domestic tourism accounted for 27m overnight stays, also up by 1.5 per cent. More important than overall statistical figures are the data about the accelerated shift from summer to winter tourism. So between 1970 and 1977, the share of winter tourism rose from 23.9 per cent to 32.7 per cent in general and from 21.1 per cent to 30.4 per cent in terms of foreign holidaymakers.

It is this shift which gives cause for some optimism as far as the future is concerned. Herr Stefan Schulmeister, the tourist expert of the Austrian Institute for Economic Research, points out the differentiated impact of the fuel crisis and economic recession on the tourist industry. During the past five years, overnight stays in the summer season were falling by an average 2.5 per cent every year. As a result of the appreciation of the Schilling vis-a-vis other currencies, Austria has become too expensive, losing about 10 per cent of its share of international tourism in terms of overnight stays.

Significantly, winter tourism has not been adversely affected. On the contrary, overnight stays were increasing at roughly the same rate as in the "golden" 1960s, by 7 per cent a year. Herr Schulmeister sees two main reasons for this favourable trend: overall demand for winter holidays has not been

dampened because the holiday-makers come from a higher income group and winter tourism has become in a sense more and more fashionable. Secondly, because Austria's competitive position is particularly strong since few countries can offer accommodation at more favourable rates. Italy is an exception, but its capacity in winter is relatively modest. The proximity to West Germany is also an important factor because travel in winter is less easy than in summer.

Yet the preponderance of the German tourists (three of every four holidaymakers come from West Germany) in the summer accentuated the fact that holidaymakers in summer are to a much higher degree workers and lower-income group employees than in winter. They are more easily affected by recession and unemployment and they also react more quickly to price increases than do winter tourists. Last but not least, keener international competition and easier travel contribute to the growing "price consciousness." The trend towards Mediterranean holidays acts as a dampening factor on the summer season in Austria.

The latest forecasts for this winter season, announced before Christmas by Dr. Josef Starbaber, Minister of Trade, were favourable. Overnight stays should rise by 2.4 per cent and those by foreigners by 2.3 per cent, he said.

The trend towards higher-class accommodation continues and hotels and inns are expecting a rise of 3.1 per cent while the number of foreigners taking private rooms is likely to stagnate. During the last summer season, for example, higher-class hotels and pensions reported growth rates of 5 and 3 per cent respectively. But at the same time the number of foreigners taking private rooms was down by 10 per cent.

At present private accommodation in the summer season accounts for 33.3 per cent of the total capacity of 1.2m beds. During the winter season private rooms account for just over one-third of the 963,321 beds available to tourists.

It is generally realised that this important industry has entered a period of consolidation and structural shifts. Therefore representatives of the tourist and catering industry point out the adverse consequences of the high proportion of borrowing. The indebtedness of the tourist industry jumped between 1970-78, from AS 7.6bn to AS 26bn.

Another bone of contention between industry and Government is what the spokesmen of the tourist and catering sector call an excessive rate of taxation on drinks. According to the chamber's survey, the taxes accounted in 1978 for 31.5 per cent of the beer price as against about 13 per cent in Germany and Italy and a mere 5.5 per cent in Switzerland. For wine, the respective percentages are: 22.1 per cent in Austria, but 10.7 per cent in Germany, 8.3 per cent in Italy and 2.8 per cent in Switzerland.

That is why the latest promotion measures are regarded as being of marginal importance by the spokesmen of the Business Chamber. Because there are about 3,300 cable cars and ski-lift installations, costing so far AS 26bn, the latest subsidies for this sector are seen as additional evidence of avoiding the real and crucial problems of an industry which sees taxes as its real difficulty.

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WORLD STOCK MARKETS

Wall St. up again in early active trading

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THE ADVANCE CONTINUED in fairly active trading on Wall Street yesterday, when the Stock Market benefited from the flow of strong corporate earnings reports.

By 1 pm the Dow Jones Industrial Average was up another 6.15 to 853.00 and the NYSE All Company Index rose another 21 cents to 255.48.

NEW YORK

Table with columns: Stock, Jan. 23, Jan. 24. Lists various stocks like Abbott Labs, Am International, etc.

higher profit for the year. Northern Telecom climbed \$3 to \$86.1, following a rise in fourth-quarter net earnings.

Smithkline had another \$1 to \$93.1, despite higher fourth-quarter profits, plans to split its stock two-for-one plus a raised dividend.

General Foods jumped \$1 to \$36.1, following a third-quarter profit gain sharply but its said profit improvement will moderate in subsequent periods.

NEW YORK

Table with columns: Stock, Jan. 23, Jan. 24. Lists various stocks like Corning Glass, Crane, etc.

approval to sell its Polycron contact lens in the U.S.

Further gains were scored in active midday trading, following positive corporate earnings reports and firmer prices in New York.

The Toronto Composite Index gained another 2.5 to 1,372.5. Metals and Minerals put on 2.5 to 1.233.5, Bauxite 1.06 to 322.00, Utilities 0.25 to 196.21 and Gold advanced 1.9 to 1,571.4.

TOKYO

Table with columns: Stock, Jan. 23, Jan. 24. Lists various stocks like Revlon, Reynolds, etc.

Nippon Oil rose Y19 to Y706. Aralia Oil Y150 to Y3,050.

Swissair shed SwFr 2 to 808, despite increased 1978 passenger volume.

Swissair shed SwFr 2 to 808, despite increased 1978 passenger volume. Swiss reversed losses following earlier announcements of possible short-time working.

GERMANY

Table with columns: Stock, Jan. 23, Jan. 24. Lists various stocks like Woolworth, Xerox, etc.

its recent recovery in Banks, while Assicurazioni Generali lost ground in Insurances.

Belgian share prices were mostly higher in lively trading. Agor, Cockerill, Sofina, Hoboken, Gevaert, Hainaut Sembler, Solvay, Cometa and UCB each rose.

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MILAN

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EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., April, Last, July, Last, Oct., Last, Stock. Lists options for ABE, AKZ, etc.

BASE LENDING RATES

Table with columns: Bank, Rate. Lists banks like A.B.N. Bank, Allied Irish Banks, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., April, Last, July, Last, Oct., Last, Stock. Lists options for ABE, AKZ, etc.

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Indices

Table with columns: Index, Jan. 23, Jan. 24, High, Low. Lists indices like Industrial, True Ind., etc.

Table with columns: Index, Jan. 23, Jan. 24, High, Low. Lists indices like Industrial, Composite, etc.

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LONDON STOCK EXCHANGE

Companies and Markets

MLR fears create further depression in stock markets
Golds contrast with big rises on S.A. monetary proposals

Account Dealing Dates
Optimism
*First Declara- Last Account
Dealings times Dealings Day
Jan. 2 Jan. 11 Jan. 12 Jan. 23
Jan. 15 Jan. 25 Jan. 26 Feb. 6
Jan. 29 Feb. 8 Feb. 9 Feb. 20

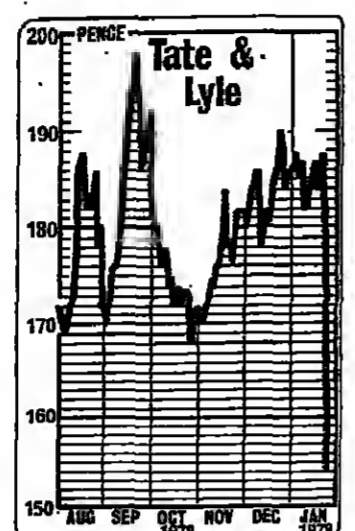
to gains among stocks such as
Randfontein Estate of 2 1/2 points.
The F.T. Gold Mines index
jumped 15.9 more to 176.0 for a
gain of 39.3 over the past eight
trading days.

to the more-than-doubled annual
profits and proposed 400 per
cent scrip-issue.
Electrical issues encountered
fresh offerings with the
emphasis again centred on
recent high fliers. Eurotherm
dipped 8 to 22 1/2 and Wholesale
Fittings 7 to 23 1/2. Kode, 14 1/2,
and Telephone Rentals, 14 1/2,
gave up 4 apiece, while losses

closing slightly off the bottom
at 15 1/2, down 2 1/2. British Sugar
eased 3 to 13 1/2. Elsewhere,
Robertson shed 4 for a three-
day reaction of 11 to 13 1/2.

Rank down again
-ns on 500,000 400,000
prise, Rank Organisation's 262m
fund-raising call announced with
the satisfactory annual results
still depressed the shares which
fell away steadily to close a
penny above the day's lowest at
24 1/2 for a net loss of 1 1/2. Other
African monetary system, while
Filmas rose 3 more to 150p, after
13 1/2. Hudleigh were wanted at
58p, up 3, while J. E. Fenner
edged forward 2 more to 18 1/2.

resulted in prices being marked
up sharply of the outset.
Thereafter, the market regis-
tered further heavy gains follow-
ing persistent London and Con-
tinent buying in the morning
and renewed American demand
in the afternoon.



standing at a 1978-79 high
ahead of the announcement,
Scottish English and European
fell 7 to 7 1/2 following the interim
statement. Further reflection
on a broker's bullish circular
concerning the car industry
left Carparts International 4 down
at 52p and Nottingham Manufac-
turing 2 off at 13 1/2.

Confirmation that the De Kock
Commission's report on South
African monetary policy will
result in the Rand being floated
lifted South African Industrial
Abercorn, 12 1/2, Hallett's, 13p and
Greatman's, 16p, all improved
round 1 1/2, while South African
Breweries added 6 to 70p.

Prices held at about their best
levels following the specific
details of the change in policy
which were announced during
the after-hours business. Sentim-
ent in the market was also
boosted by a 8 1/2 rise in the
bullion price to \$236.875.

With the notable exception of
South African shares, stock
markets weakened yesterday,
yesterday's worries about
interest rate possibilities and the
continuing serious industrial
situation, gilt-edged securities
fell a full point and were going
still lower after the official close
of business, the F.T. 30-share
index receded an early rise and
ended at the day's worst, but
South African shares were strong
and heavyweights issues ending
with widespread gains extending
to nearly three points.

Standard Chartered up
Speculation concerning a
possible devaluation of the South
African rand attracted buyers to
Standard Chartered which has
extensive interests in that
country and, after a moderate
trade, the shares closed 14 to the
good at 480p. Elsewhere in the
banking sector, the major
clearers drifted lower on small
selling and a dearer support.
Midland dipped 5 to 380p and
NatWest softened 2 to 390p.
Among Discounts, Union closed
united at 31 1/2, after 32p,
following the satisfactory pre-
liminary results. Decker
money fares made for dullness
in Hire Purchases. Lloyds and
Scottish relinquished 2 to 10 1/2
and UDT, to 43p.

of 5 were marked against
Unitech, 17 1/2, Electrocomp,
310p, and United Scien-
tific, 280p. Leading issues were
inclined firmer at the start but
drifted back as scatter selling
found the market unwilling. GEC
closed 3 lower at 31 1/2, after
touching 32 1/2 initially. Against
the trend, Laurence Scit gained
4 more at 10 1/2 to the accompani-
ment of vague bid rumours.

Trident TV responded to a
pre-announcement of a rise of 1 1/2
to 25 1/2. Among Distributors, falls
of around 4 were seen in Heron
and Perini, both at 11 1/2, and
Hartwells at 10 1/2.

Standing at a 1978-79 high
ahead of the announcement,
Scottish English and European
fell 7 to 7 1/2 following the interim
statement. Further reflection
on a broker's bullish circular
concerning the car industry
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clearers drifted lower on small
selling and a dearer support.

Barely-tested Breweries closed
showing modest falls, Arthur
Guinness easing 2 to 185p,
Morston Thompson and Evershed
gave up 2 to 8 1/2 following the
company's caution in the interim
statement.

in Motors, Lucas fell 7 to
record a two-day fall of 15 to
at 25 1/2. Among Distributors, falls
of around 4 were seen in Heron
and Perini, both at 11 1/2, and
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Following confirmation of the
rumoured Rank Organisation
rights issue, the company is
raising some 262m by offering
one new share at 22 1/2p for every
six ordinary shares held - and
assisted by scattered bear closing
the tone appeared relatively firm
at around 11 am. Subsequently,
however, the trend was easier
and shortly after noon the
disappointing preliminary state-
ment from Tate and Lyle set the
market back.

Fears of a possible hike in
short-term interest rates tended
to unsettle the Building sector.
Blue Circle remained on offer at
20 1/2, down 5, while Costain
Group, 165p, and Taylor Wood-
row, 400p, reacted 6 and 10
respectively. Timbers to give
ground included Parker, down 5
at 130p, and Rangor Southern,
at 110p, and cheaper at 2 1/2.

Associated Newspapers lost 5
to 180p following the rationalisa-
tion plans announced for the
London Evening News which will
involve redundancies and a cut
in the number of editions. Sister
company De Mair, a well-
quoted 7 at 36 1/2, New
paper issues also tended towards
lower levels. A withdrawal of
recent speculative interest left
Associated Book Publishers 8
lower at 29 1/2, while further con-

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APPOINTMENTS

Lloyds Bank regional changes

Mr. Colin Baker joins the
board of a new Lloyds Bank
subsidiary company, LLOYDS BANK
UK MANAGEMENT, and he has
been elected to succeed Mr. R. A.
Cookson as chairman of the
regional regional board of
Lloyds Bank which sits at New-
castle upon Tyne, both from
March 30. Mr. Baker is chairman
of Jobling Purser and a director
of other companies.
Mr. Michael G. Falcon also
joins the Board of Lloyds Bank
UK Management and has been
elected to succeed Sir Ivor Baker
as chairman of the eastern coun-
ties regional board of Lloyds
Bank which sits at Cambridge,
from March 30. Mr. Falcon is
chairman of the National Seed Devel-
opment Organisation and a direc-
tor of Norwich Union Life Insur-
ance Society and other com-
panies.
Mr. Roh Abraham, executive
director of both Nedbank and
the Nedbank Group, has been
appointed managing director and
chief executive from March 1. He
succeeds Mr. Gerry Muller, who
becomes deputy chairman of Ned-
bank and senior deputy chairman
of the Nedbank Group. Mr.
Muller remains chief executive of
the group.
Mr. Stanley E. Handman has
been made chief engineer of
engineering operations at the
world headquarters of the Pull-
man Kellon division of PULL-
MAN INCORPORATED in
Houston.
Mr. A. V. Pither has been
appointed to the main Board
of BANRO CONSOLIDATED
INDUSTRIES. He is the managing
director of Edward Rose (Tor-
ford) Ltd. and also manufacturing
and technical director of Edward
Rose (Birmingham) and Edward
Rose (Seelions). The three com-
panies are members of the Banro
Group.
Mr. Dermot Hoare and Mr.
Michael Griffiths have joined the
Board of CHARLES BARKER-
COUTHARD, executive search
and selection consultants and
Mr. William McQuarrie is

LONDON TRADED OPTIONS table with columns for Option, Price, Vol., Closing offer, etc. for various stocks like BP, Shell, etc.

RECENT ISSUES table listing various stock issues with details on price, volume, and dates.

FIXED INTEREST STOCKS table listing various fixed interest securities like government bonds, etc.

'RIGHTS' OFFERS table listing various rights issues and offers with details on price and terms.

FT-ACTUARIES SHARE INDICES

FT-ACTUARIES SHARE INDICES table showing various equity groups and sub-sections with their respective values and changes.

FINANCIAL TIMES STOCK INDICES table showing various stock indices like Government Secs, Fixed Interest, Industrial, etc.

HIGHS AND LOWS S.E. ACTIVITY table showing high and low prices for various stocks and activity levels.

NEW HIGHS AND LOWS FOR 1978/9 table listing new high and low prices for various stocks in 1978/9.

RISES AND FALLS YESTERDAY table showing the percentage changes in various stock indices and sectors.

ACTIVE STOCKS table listing various active stocks with their current prices and changes.

LEADERS AND LAGGARDS

LEADERS AND LAGGARDS table showing the percentage changes in various stock indices and sectors.

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus estimate. Assumed dividend and yield. Forecast dividend cover based on previous year's earnings. Dividend yield based on prospectus or other official estimates for 1979. GROSS Figures assumed. Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. Figures price to public at Pence unless otherwise indicated. Issued by lender. Offered to holders of ordinary shares on a 'pro rata' basis. Issued by way of capitalisation. Issued in connection with reorganisation, merger or takeover. Issued in connection with a rights issue. Allotment letters (or fully-paid) or Provisional or partly-paid allotment letters. * With warrants. † Unlisted security.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS



Table listing various unit trusts and their performance metrics, including columns for fund names, managers, and dates.

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INSURANCE AND PROPERTY BONDS

Table listing various insurance and property bond products and their performance metrics.

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Table titled 'CORAL INDEX: Close 459.46' and 'INSURANCE BASE RATES' showing various rates and percentages.

Table titled 'LEGAL & GENERAL PROP. FD. MGRS. LTD.' listing various legal and general property fund managers.

Table titled 'NOTES' providing additional information and disclaimers regarding the fund data.

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U.S. TOLD OF DRAFT TO DISSOLVE WESTERN OPERATIONS

Iran considers oil takeover

BY PATRICK COCKBURN

IRAN has drafted a plan to takeover totally the operation of the country's oilfields, effectively reducing the role of the Western oil consortium now operating in the country to that of a purchasing group.

oil exporter. Before the crisis, Iran's oilfields produced an average of almost 6m barrels a day.

Government, under pressure from the West, would water it down.

Mr. Entezam's letter, drafted in Tehran according to the London newsletter Mid-East Markets, states that NIOC will not pay for expatriates evacuated to Athens and in future will directly employ such experts as required.

Troops close Tehran airport

BY ANDREW WHITLEY AND SIMON HENDERSON IN TEHRAN

TROOPS and tanks yesterday shut down Tehran's Mehrabad Airport for the day in an apparent attempt to stop a special Iran Air flight to Paris to bring back Ayatollah Khomeini, the exiled Opposition leader, on Friday.

centred on attempts by Dr. Shapour Bakhtiar, the Prime Minister, to postpone the Ayatollah's return as the reason behind the blocking move at the airport.

army, which is worried about this country's stability, if the Ayatollah returns.

the Ayatollah and had sent a messenger to Paris. Speaking in Parliament, he hinted that the letters could be made public in 48 hours.

Passengers on foreign airlines and journalists were initially told by air officers at the airport and Iran Air officials that Mehrabad would be closed until Sunday.

Dr. Seyfeddin Nabavi, one of the men believed to be an emissary of Dr. Bakhtiar to Paris, said the Prime Minister was asking for the Ayatollah's much heralded return to be postponed for three weeks.

He was also prepared to accept constitutional changes to make Iran a republic, but only after proper elections to a new Parliament.

Diplomats have confirmed that air force technicians and non-commissioned officers demonstrated at Isfahan air base on Tuesday over pay and conditions, leading to the temporary sending home of about 300 Americans working there as advisers.

Speculation in Tehran

Volkswagen buys \$50m stake in Brazil Chrysler

By John Wyles in New York

VOLKSWAGEN is coming to the help of Chrysler Corporation's loss-making Brazilian subsidiary with a \$50m (£25m) capital injection which buys a 67 per cent stake in a new joint venture.

TUC works on face-saving collective bargaining scheme

BY CHRISTIAN TYLER, LABOUR EDITOR

THE TUC was mobilised yesterday for a hurried face-saving pact with the Government designed to re-assert the unions' de facto authority over their members and to present a united front to the electorate.

concern" about the industrial situation and about what he called the escalation of pay settlements.

Damage
In this way British scientists expect to demonstrate that fast reactor fuel can be caused to burst open, releasing fuel and radioactive gases into the molten sodium coolant, without causing damage outside the reactor itself.

Labour's European manifesto renews divisions in party

BY ELMOR GOODMAN, LOBBY STAFF

THE LABOUR Party manifesto for the European elections will contain a thinly-veiled threat to take Britain out of the Community unless fundamental changes are forthcoming.

Rees gives gloomy report

Continued from Page 1

that if these arrangements were not effective quickly and if there was no other way of getting the supplies moving, the Government would arrange to transfer the raw materials from the docks and warehouses to manufacturers.

Hauliers

Continued from Page 1

Weigbell, general secretary of the National Union of Railwaymen, yesterday said why talks on pay and productivity between all three rail unions and British Rail, working to a formula of Mr. Murray's had broken down.

Weather

UK TODAY
SNOW, sunny intervals. London, E. Anglia, S.E. and S. Eastland, Channel Isles

Business Centres

Table with columns for City, Y'day, Midday, Y'day, Midday. Lists cities like Madrid, Athens, London, etc.

Holiday Resorts

Table with columns for City, F, M, J, A, S, O, N, D. Lists resorts like Algiers, Algiers, Algiers, etc.

Britain to swap atom fuel with U.S.

By David Fishlock, Science Editor

LARGE QUANTITIES of plutonium fuel for fast breeder reactors are to be exchanged between Britain and the U.S. in a new safety programme.

Because of the quantities of U.S. plutonium involved—some 34 kilograms—it requires Presidential approval, although this is expected to be forthcoming.

The programme, it is hoped, will show how commercial-size fast breeder reactors can be built more cheaply without reducing the safety factors.

The aim is to collaborate in the use of two major test facilities, the 250 MW prototype fast reactor (PFR) at Dounreay in Scotland, and the transient reactor test facility (Treat) at Idaho Falls, Idaho, starting this year.

Because of delays in building the Clinch River fast breeder prototype and the active opposition of the Carter Administration to this specific project, the U.S. has no power reactor comparable to Britain's PFR, capable of testing fuel assemblies of the size expected to be used in a commercial-size (1,300 MW) fast breeder reactor.

Britain has no facility comparable with Treat, in which nuclear fuel can be exposed to the stresses and strains expected under the conditions of a serious accident.

Both Burmah Oil and Rank did this in the early 1970s, and got into growing difficulties. Raising new equity, as Rank is now proposing, is a much less risky way of financing expansion than Burmah's choice of debt: indeed, Rank is arguing that one reason for raising cash now is to pay off still more of its remaining debt burden, though paradoxically the group only last month paid out £20m in cash for Leisure Caravan Parks.

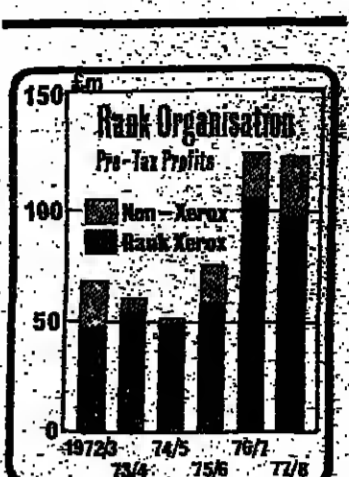
But the central question is whether shareholders really want Rank to spread its wings, or whether they wish to maintain an undiluted interest in RX. The latter had an unexcit-

THE LEX COLUMN

Rank raises the old questions

Although it is likely that Minimum Lending Rate will be unchanged today, it now seems to be only a question of time before the continuing rise in interest rates is confirmed by the Bank of England.

Index fell 6.6 to 461.0



Rank Organisation

Rank Organisation's six-month rights issue at 225p, which led to a 19p slump in the share price to 247p, admittedly on a had day for the market, poses once again all the old questions about the group's management and its attitude to the Rank Xerox stake.

ing year in 1977-78, but underlying pre-tax profits rose 7 per cent before current adjustments and the second half was depressed by the cost of new product launches. The outlook for the next couple of years looks good.

American shareholders who only four years ago owned nearly half of Rank's equity have got the message: they now hold only 45.00p, 8 per cent of the shares.

South Africa
Although the South African financial markets were close to the immediate reaction of the London stock market to the long-awaited De Kock Commission proposals, the securities market narrowed from 44.4 per cent to 39.1 per cent and the FT 100 index, helped undoubtedly by the strong price, jumped by a tenth.

Tate and Lyle
For some months now Tate and Lyle shares have been firm at around 180p, as the fact that the dividend was likely to be maintained became increasingly entrenched and income and recovery funds found them irresistible.

Never one of the more forthcoming of British companies, T and L has come encouragingly clear by publishing a more detailed profit breakdown, taking in all imaginable provisions—provisions for R&D, rationalisation costs, and warning that an acceptable earnings level will not be reached before 1981. The breakdown reveals it will encourage outflows.

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